

# The NATIONAL UNDERWRITER

*Life Insurance Edition*

## They went to jail to get an education

Back in 1758, the first Provost of the College of Philadelphia, which is now the University of Pennsylvania, was jailed on trumped up libel charges. His students were so eager to learn that they attended classes at the city gaol. The Provost, the Rev. William Smith, had been arraigned before the Provincial Assembly in the Old State House—now Independence Hall. Later, he was completely exonerated by the Crown.

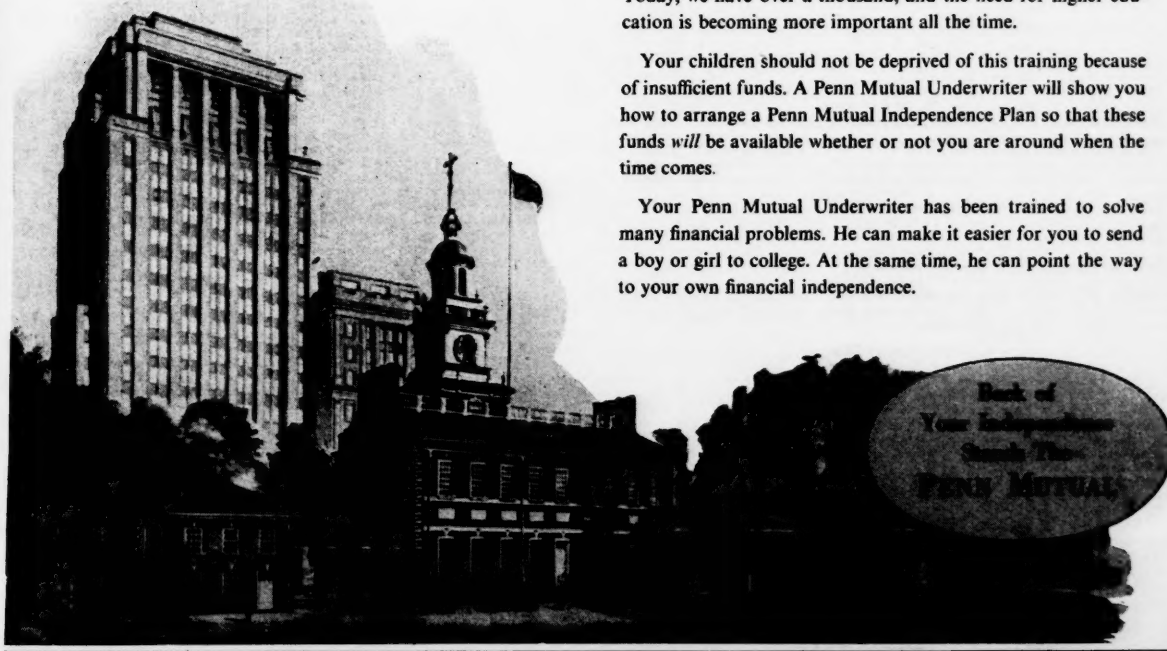


## Now Independence Plans Help Smooth the Way through College

There were only six chartered colleges in the Colonies in 1758. Today, we have over a thousand, and the need for higher education is becoming more important all the time.

Your children should not be deprived of this training because of insufficient funds. A Penn Mutual Underwriter will show you how to arrange a Penn Mutual Independence Plan so that these funds will be available whether or not you are around when the time comes.

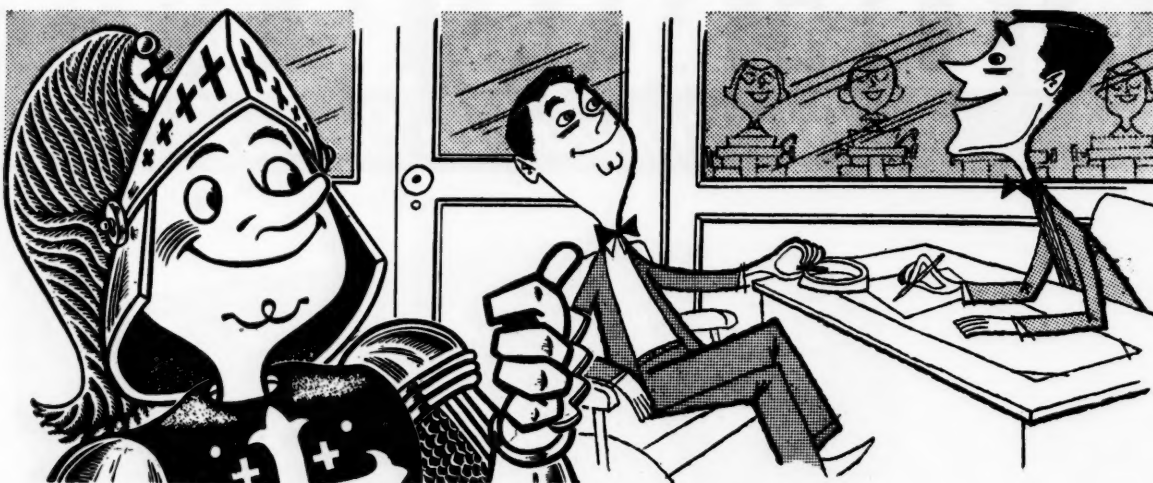
Your Penn Mutual Underwriter has been trained to solve many financial problems. He can make it easier for you to send a boy or girl to college. At the same time, he can point the way to your own financial independence.



**THE PENN MUTUAL LIFE INSURANCE COMPANY • INDEPENDENCE SQUARE, PHILADELPHIA**

**PENN MUTUAL ADVANCEMENT OPPORTUNITIES GO TO PENN MUTUAL MEN**

**FRIDAY, SEPTEMBER 11, 1953**



## SIR PLUS Says: For Your Surplus BUSINESS INSURANCE, PENSIONS, PROFIT-SHARING PLANS, SEE CM

1. Use of income settlements *guaranteed by contract* to corporations and partnerships
2. Individualized home office proposal service and special help on difficult cases
3. Flexibility of CM change of plan clause
4. "Combination" plans available (with deposit administration by CM on pension plans if desired)
5. Wide range of life insurance *and annuity* plans
6. Liberal discount of future premiums — as many as 20 premiums at 2½%
7. The on-the-spot know-how of the general agency near you
8. Excellent competitive net cost on *all* plans
9. High return to beneficiary (1953 rate — 3¼%)

**Facts, Figures, Proposals gladly furnished. Phone or write our nearest office.**

Albany 1, N. Y., James T. Purves, 75 State St.  
 Albuquerque, N. M., Timothy B. Ingwersen,  
 121 East Tijeras Ave.  
 Atlanta 3, Ga., P. L. Bealy Smith,  
 Citizens & Southern Bank Bldg.  
 Baltimore 1, Md., Thomas W. Harrison, Jr.,  
 307 North Charles St.  
 Birmingham 3, Ala., Stewart H. Welch, Jr.,  
 Brown-Marx Bldg.  
 Boston 9, Mass., Winslow S. Cobb, Jr., 50 Congress St.  
 Boston 9, Mass., Rob't. B. Whitmore, 82 Devonshire St.  
 Bridgeport 3, Conn., Harry E. Duffy,  
 Bridgeport-City Trust Co. Bldg.  
 Buffalo 2, N. Y., Jack O'Bannon, Liberty Bank Bldg.  
 Charlotte 2, N. C., Philip F. Howerton, Johnston Bldg.  
 Chicago 3, Ill., W. G. Van der Voort, 39 South LaSalle St.  
 Chicago 2, Ill., Henry C. Hunken, 1 North LaSalle St.  
 Chicago 3, Ill., James F. Ramsey, Field Bldg.  
 Cincinnati 2, O., James H. Farrar, Carew Tower  
 Cleveland 14, O., Harry H. Kail, Leader Bldg.  
 Columbus 15, O., Victor K. Miller, Beggs Bldg.  
 Dallas 1, Tex., Everett F. White, 107 North Field St.  
 Davenport, Ia., Paul C. Otto, Davenport Bank Bldg.  
 Decatur, Ill., W. Robert Moore, Citizens Bank Bldg.  
 Denver 2, Colo., Norris E. Williamson,  
 U. S. National Bank Bldg.  
 Des Moines 9, Ia., Sherry R. Fisher, Fleming Bldg.  
 Detroit 26, Mich., Charles E. Stumb, Nat'l Bank Bldg.  
 Erie, Pa., James J. Reid, Palace Bldg.  
 Fort Worth 2, Tex., Thomas N. Moody,  
 W. T. Waggoner Bldg.  
 Grand Rapids 2, Mich., Herbert C. Remien,  
 Association of Commerce Bldg.  
 Harrisburg, Pa., Joseph J. H. Richter, Jr.,  
 Payne-Shoemaker Bldg.  
 Hartford 3, Conn., Ralph H. Love, 75 Pearl St.  
 Houston 2, Tex., The Shepherd Agency, Esperson Bldg.

Huntington 9, West Va., R. Homa Houchin,  
 First Huntington Nat'l Bk. Bldg.  
 Indianapolis 2, Ind., Claude C. Jones,  
 1812 North Meridian St.  
 Jacksonville 2, Fla., Victor W. Wilson, Lynch Bldg.  
 Kansas City 6, Mo., L. B. Leach, 1016 Baltimore Ave.  
 Knoxville 02, Tenn., Harry M. Watson,  
 Hamilton National Bank Bldg.  
 Long Beach 12, Calif., C. Carter Schneider,  
 F. & M. Bank Bldg.  
 Los Angeles 5, Calif., Melsar C. Jones,  
 3440 Wilshire Blvd.  
 Los Angeles 17, Calif., Edward B. Bates,  
 609 South Grand Ave.  
 Louisville 2, Ky., Moss & Moss, Starks Bldg.  
 Memphis 3, Tenn., A. V. Pritchard, Sterick Bldg.  
 Miami 32, Fla., F. R. Anderson, Pan American Bk. Bldg.  
 Milwaukee 2, Wis., Kenneth W. Jacobs, Bankers Bldg.  
 Minneapolis 2, Minn., Frank J. Lynch,  
 Northwestern Bank Bldg.  
 Nashville 3, Tenn., Norris Maffett, 814 Church St.  
 Newark 2, N. J., Edward C. Jahn,  
 The Commerce Court Bldg.  
 New Orleans 12, La., Thomas F. Barrett, Jr.,  
 Factors Bldg.  
 New York 6, N. Y., The Fraser Agency,  
 J. M. Fraser, G. A., 149 Broadway  
 New York 17, N. Y., Paul L. Guibord, 6 E. 45 St.  
 New York 17, N. Y., Horace S. Jenkins, Jr., 17 E. 42 St.  
 New York 17, N. Y., Halsey D. Josephson, 527 5th Ave.  
 Norfolk 10, Va., D. Conrad Little, Royster Bldg.  
 Oakland 12, Calif., James L. Taylor, 1404 Franklin St.  
 Oklahoma City 2, Okla., Robert H. Carter,  
 Republic Bldg.  
 Omaha 2, Neb., Paul C. Kaul, 405 S. 16th St.  
 Peoria 2, Ill., Chester T. Wardwell, Cent. Nat'l Bk. Bldg.  
 Philadelphia 3, Pa., John C. Knipp, Jr., Archite's Bldg.

Philadelphia 3, Pa., Vernon S. Mollenauer,  
 1616 Walnut St.  
 Pittsburgh 19, Pa., Robert N. Waddell, Koppers Bldg.  
 Portland 3, Me., Richard M. Boyd, 415 Congress St.  
 Portland 4, Ore., The Merrifield Agency, Equitable Bldg.  
 Providence 3, R. I., Walter K. R. Holm, Jr.,  
 Industrial Trust Bldg.  
 Raleigh, N. C., William T. Beaty, Security Bank Bldg.  
 Richmond 5, Va., J. Robert Nolley, Insurance Bldg.  
 Rochester 4, N. Y., Robert M. Williamson,  
 Lincoln-Alliance Bank Bldg.  
 Rockford, Ill., Francis P. Beiriger,  
 Rockford News Tower  
 Rutland, Vt., C. Carlton Coffin, Jr., Mead Bldg.  
 St. Louis 1, Mo., Jack Hensley, Arcade Bldg.  
 St. Paul 1, Minn., Joseph A. Diefenbach,  
 Pioneer Bldg.  
 Salt Lake City 1, Utah, Max S. Caldwell, Judge Bldg.  
 San Antonio 5, Tex., G. Archie Helland,  
 Frost National Bank Bldg.  
 San Diego 1, Calif., Alpheus J. Gillette,  
 1407 Sixth Ave.  
 San Francisco 4, Calif., Edward H. Dieckhoff,  
 315 Montgomery St.  
 Seattle 1, Wash., Edward U. Banker,  
 1411 Fourth Ave. Bldg.  
 South Bend 1, Ind., P. A. Hummel, 527 Sherland Bldg.  
 Spokane 4, Wash., Thomas R. Carey, Med. Cent. Bldg.  
 Springfield 3, Mass., Wallace C. Brunner, 95 State St.  
 Syracuse 2, N. Y., Limon F. Styles, Heffernan Bldg.  
 Toledo 4, Ohio, Floyd A. Rosenfelt, United Savings Bldg.  
 Utica 2, N. Y., Frank H. Wenner,  
 Utica Gas & Electric Bldg.  
 Washington 5, D. C., John Lister McElfresh,  
 Woodward Bldg.  
 Wichita 2, Kan., O. Lynn Smith,  
 Kaufman Building  
 Wilkes-Barre, Pa., Frank Carlucci, 44 West Market St.





## Army, Navy, Air Force Rules Governing Sales on Their Installations Are Given

WASHINGTON—The Departments of the Army, Navy and Air Force regulations implementing the May 27 Defense Department directive governing the sale of life insurance on military installations are given below in full. The high points of the army's were reported in last week's issue.

The regulations which have been issued by the navy and air force are less stringent than the army's, probably because it has been at army installations that most of the criticisms have arisen.

In the army's attempt to curb the undesirable practices of some companies and agents, the inevitable result has been to hamper the operations of insurers and producers about whom there has been no criticism. Nevertheless, it seems from a study of the army regulations that it will be possible for the insurance business to "live with" the regulations.

Specific as they are, the regulations don't tell the full story because their interpretation and enforcement is still up to the post commanders and there is enough latitude in the regulations so that commanders can make things fairly tough for agents if they want to. Even if there is no desire to obstruct the sale of life insurance, it may be that some commanders, just to keep their skirts clean, will take the most restrictive view in anything they have to interpret.

The Defense Department directive was printed in full in the July 5 issue of THE NATIONAL UNDERWRITER. Following are the army, navy and air force texts, based upon the Defense Department directive.

### ARMY REGULATIONS

1. Purpose—These regulations prescribe uniform policy and procedures in connection with the solicitation of commercial life insurance to military personnel on army installations and separate activities (hereinafter referred to as installations) world-wide.

2. Policy—a. Any commercial life insurance company and its agents, if both are duly licensed in any state or in the District of Columbia, will be permitted to solicit business on any army installation, exclusive jurisdiction over which has been ceded to the United States. When the state in which the installation is located has retained exclusive or concurrent jurisdiction over such installation, a commercial life insurance company and its agents must qualify under the laws of that state prior to transacting business on the installation.

b. Outside the continental United States, the commanding officer of the installation concerned, using the criteria set forth herein as a guide, shall determine the authority and qualifications of such companies and agents in accordance with any applicable pacts, treaties, or agreements, and any applicable laws of the jurisdiction wherein an installation may be located prior to granting permission for the solicitation of insurance on the installation.

c. Commanders of installations, wherein classified operations are being

conducted, or for other cogent security reasons, may prohibit solicitation in any or all areas of their respective installations when deemed to be in the best interest of the national security.

3. Control—The control of the solicitation of commercial life insurance on an army installation is the responsibility of the commander of that installation. The minimum control which will be exercised by installation commanders over such solicitation is as follows:

a. Commanding officers of all installations will require that life insurance policies offered to military service personnel on installations have reserves at least equal to those produced by the commissioners reserve valuation method as defined in the standard valuation law when calculated according to the commissioners 1941 Standard Ordinary mortality table, with interest at a rate not in excess of 3½% per annum. Such policies must provide cash and nonforfeiture values at least equal to the minimum values required by the standard nonforfeiture law, as approved by the National Assn. of Insurance Commissioners, and must comply with the interpretations of the "working committee on standard nonforfeiture and valuation laws to life insurance committee, National Assn. of Insurance Commissioners," commonly known as the Hooker committee.

b. Commanding officers of installations concerned will require all companies authorized to offer life insurance to military personnel on their reservations to submit a notarized letter signed by the president or vice-president of said company, listing all policies, together with their form numbers and a statement that only the policies listed are to be offered on such military installations and that such policies comply with a above.

c. Agents applying for permission to solicit will be required to furnish a

(CONTINUED ON PAGE 14)

## Maloney Hands World 10-Day Suspension on Advertising Charges

LOS ANGELES—Commissioner Maloney has signed an order suspending the license of World of Omaha to transact A. & H. business in California for a 10-day period from Nov. 1 to Nov. 10, inclusive. This grows out of the charges of the California department that World was engaging in the use of false and misleading advertising in California. The charge was made originally about a year ago.

The order affects the right of the company to solicit, negotiate or execute disability insurance or to advertise disability insurance during the 10 day period. It does not affect its right to transact life insurance business or execute original or renewal policies of A. & H. where the solicitation and negotiation took place prior to the suspension period, if no "prohibited act" takes place during that time, nor does it affect the ability of the company to handle and to pay claims during the 10 days.

Mr. Maloney's action followed an 18-day hearing before Jerome P. Herst, hearing officer for the state division of administrative procedure. Mr. Maloney adopted Herst's proposed decision, but reduced the proposed penalty from a 15 to a 10 day suspension. Herst said that World had knowingly caused or permitted to be issued, circulated and used by its officers, agents and employees misrepresentations of the terms and benefits of disability policies in violation of section 780 of the insurance code. He specifically found that the acts done by World did not show that it had conducted its business fraudulently in California, and he took into consideration certain mitigating circumstances dealing principally with the substitution of new advertising material for that found objectionable.

After the original charge was issued against World, in 1952, the company

(CONTINUED ON PAGE 20)

## Lester O. Schriver Is Named Managing Director of NALU

Headed Association in 1934-35; for Many Years Aetna General Agent

NEW YORK—The selection committee of National Assn. of Life Underwriters, meeting in New York City Wednesday, announced with the unanimous approval of the board of trustees that

Lester O. Schriver of Peoria, Ill., has been named managing director of N.A.L.U.

He succeeds B. N. Woodson, who is now president of American General Life of Houston.

In releasing the news of Mr. Schriver's appointment, which will be effective

Oct. 1, President Robert C. Gilmore, Jr., as chairman of the selection committee, said:

"In Lester Schriver N.A.L.U. has a man who exemplifies the highest ideals of this association. With a grass roots appreciation of life insurance problems, he has a life insurance man's mind, heart and viewpoint, the abilities of expression and coordination that we need.

"He will command the respect and confidence of all other insurance organizations, and, with his practical A. & H. background, the cooperation of this increasingly important phase of N.A.L.U.'s activities. While he is an outstanding public speaker, the selection committee has requested him to devote the major portion of his time to the multitude of administrative tasks of his office.

"A past president of this association, Lester has given ample demonstration over the years of his abilities as an agent, general agent, administrator and statesman, but most important, he has proven his capacity to think constructively, clearly and positively about the problems confronting this business. I know I speak for all my fellow officers when I say that we—and N.A.L.U.—are proud and fortunate that he is willing to accept such heavy responsibilities."

Mr. Schriver is a native of Connecticut and began his life insurance career as a personal producer in Middletown, Conn., for Aetna Life 29 years ago. In 1925 he was called to the home office as director of field training, in 1927 he was elected assistant superintendent of agencies, and in 1928 became general agent of Aetna for central and southern Illinois in charge of 78 counties. He resigned his agency last July. Since that date he has been city manager of Peoria.

In 1934 Mr. Schriver was elected

(CONTINUED ON PAGE 20)

## Late News Bulletins . . .

### A. & H. Assn. Formed in South Carolina

A state association of A. & H. underwriters has been formed in South Carolina and the first meeting, when officers will be elected, is scheduled to take place at Columbia next month. Attending the organizational meeting at Charleston were William G. Coursey, managing director of the International association, and these South Carolina men: Elric S. Pinckney, Travelers; Frank C. Riddick, Mutual Life of New York; Horace G. Dent, Sr., Atlantic Life; Charles L. Fox, Charles L. Fox agency, and Carlton J. Poulnot, New York Life.

### Patterson Is Washington National General Agent

Washington National has appointed Clyde L. Patterson general agent at Shreveport, La. Formerly with Great American Reserve, Mr. Patterson has had experience both as an agent and in sales management.

### Groel Now Also PR Chief for Prudential

Frederick H. Groel, vice-president and secretary of Prudential, has been placed in charge of public relations and advertising activities in addition to his present responsibilities. He succeeds A. T. Everett, 2nd vice-president, who will devote full time to developing Prudential's individual A. & H. program. Mr. Groel, who is an attorney, has been with Prudential since 1950.

(Additional Late News on Page 20)

## Program for L.O.M.A. Meeting Announced

Life Office Management Assn. has announced its complete program for the annual conference Sept. 21-23 at the Netherland Plaza hotel, Cincinnati.

The program will open with an address of welcome by President W. Howard Cox of Union Central. Then follows the presidential address of H. H. Allen, 2nd vice-president of Mutual Benefit Life, entitled "A Look at the Progress of the Personnel Movement". Frederick H. Groel, vice-president and secretary of Prudential, will talk on "The Secretary Looks at the Company", followed by Holgar J. Johnson, president of the Institute of Life Insurance, with "Public Relations Opportunities and Responsibilities of Home Office Personnel." The morning session will be followed by a group luncheon.

That afternoon there will be talks on "Life Office Administration in Continental Europe" by Georges Tattévin, president of Compagnie General d'Assurances, Paris; "Flexible vs. Fixed Retirement Ages" by George E. Johnson, vice-president and general counsel Teachers Insurance & Annuity; "Office Administration as a Major Management Function" by H. Bruce Palmer, president of Mutual Benefit Life; and "Maintaining the Lines of Communication between Management and the Clerical Staff" by Philip K. Robinson, vice-president Northwestern Mutual.

In the evening there will be a reception followed by a banquet.

Tuesday morning, there will be the annual business meeting, followed by talks on "Trends in Employee Education in American Industry" by Frank R. Neuffer, dean of the University of Cincinnati; "What the Institute Program Has Meant to Me," by Jean Woolfolk, assistant secretary Union Life of Little Rock; and "Making the Most Effective Use of the Institute Program," by James H. Kohlerman, educational director of L.O.M.A. Robert C. Perry, chairman L.O.M.A. institute educational council and vice-president and actuary State Farm Life, will present the results of a survey of the institute program.

Tuesday afternoon, James T. Byrne, supervisor of standards, industrial department Metropolitan Life, will lead a discussion on "Quality Control of Clerical Operations". Copies of a formal paper on this subject are being distributed to industrial companies in advance of the conference.

There will also be a panel discussion of questions submitted by the audience in advance or during the session. Subjects will cover the entire area of industrial office methods and procedures. Lloyd M. Dalglish, secretary London Life, will be panel chairman and the participants will be L. F. Bloodworth, secretary Liberty National; J. J. Diering, general manager weekly premium division Western & Southern; T. L. Montague, Jr. vice-president Interstate Life & Accident; V. D. O'Neill, assistant secretary John Hancock; F. J. Pinque, vice-president and comptroller Colonial Life; and C. J. Sharke, Jr. assistant secretary American National.

At the same time, George W. Skilton, comptroller Connecticut General Life, will lead a discussion of defalcations and preventive measures. Members will be encouraged to present "case studies" with which they are familiar. Discussion leaders will be Harry W. Kenney,

controller Kansas City Life; Russell Leinbach, secretary premium accounting department Travelers; E. G. Newcomb, assistant comptroller Northwestern Mutual; R. A. Taylor, comptroller Sun Life of Canada, and Floyd D. Zukswert, general auditor Mutual Benefit Life.

The third concurrent session on Tuesday afternoon will concern itself with departmental and functional costs. The chairman will be J. D. Milne, assistant secretary Canada Life. At this session, the association's cost committee will make itself available to discuss problems in the area of expense control and expense analysis.

Attendance at the three concurrent sessions of the cost group will be limited to those expressing interest in advance of the conference. Application should be made to the staff office. One group will discuss budgets, under the chairmanship of Robert E. Slater, vice-president John Hancock; another will deal with departmental expense statements, work measurement and time studies related thereto, headed by Charles H. Poit, administrative assistant Metropolitan Life; and a third group will discuss functional expense analysis, allocation of expenses, with Russell Wetmore, assistant comptroller Mutual Life, as chairman. Members of the cost committee will be available for individual consultation later in the afternoon or at mutually convenient times during the meeting. Arrangements may be made at the registration desk.

The final event Wednesday will be a talk at 11:30 a.m. on "Detecting Supervisory Talent," by Noel S. Baker, vice-president of John Hancock and of L.O.M.A.

## Occidental Canada Rally for Top Club Draws Record 450

A record 450 Occidental Life of California Top Club members, their wives and guests, met at Banff, Alberta, for the third meeting of the top section of Occidental's regular production club, Los Conquistadores. Membership advanced 59 persons to a new high of 219.

The opening business session at which talks were made by Horace W. Brower, president, and William B. Stannard, vice-president in charge of agencies, was presided over by H. Dixon Trueblood, director of public relations and advertising, and concluded by Lester S. Roscoe, director of field training, who introduced his new book "Close Pins". The afternoon was devoted to sight-seeing trips and golf.

Second-day sessions, with Harold G. Gore, assistant superintendent of agencies, as chairman, were devoted to talks by W. Joe Livengood, assistant superintendent of agencies; Herbert D. Eagle, regional group supervisor, and Joseph T. DuMoe, superintendent of brokerage sales.

There also was a panel discussion on "Building Toward Million Dollar Round Table Achievement" presided over by J. Edward Carnal, superintendent of agencies. Comprising the panel were Earl Christy, Detroit; W. Gleason Condon, Baltimore; Douglas J. Takagi, Hawaii, and Charles Underrell, Canada, all M.D.R.T. members.

The final day, with Mr. Carnal pre-

siding, talks were made by Walter Schmitz, associate superintendent of A. & H.; Robert B. Stevenson, assistant superintendent of agencies; C. H. Stevens, San Diego agent, and A. Mason McNeill, superintendent of the pension trust department.

It was announced at the closing banquet that the 1955 Top Club meeting will be held at Palm Springs, Cal.

## Montgomery Scores Industry for Building Surpluses Excessively

The life insurance industry is given a verbal chastising in the Acacia Mutual Life annual report for building surplus funds to excessive amounts. Prepared by William Montgomery, Acacia president, the report also deprecates using dividend estimates as a sales tool.

Admitting that it is necessary for a life company to have reserves to meet any emergency, Mr. Montgomery nevertheless said "it is inequitable and costly to the policyholders when a life company accumulates excessive surplus funds."

"In mutual life insurance companies, the decision to increase surplus automatically involves the determination to withhold the funds so used from the present policyholders to whom they could otherwise be refunded as dividends."

It is Mr. Montgomery's contention that surplus needs can be determined easily by the past 25-year record, which embraced boom periods, history's worst depression and two wars. Even with these trying conditions, he said, reserves increased.

Questioning the necessity for "what appears to be undue surplus accumulations," Mr. Montgomery said that if the rapid increase continues, it is bound to evoke the question, "For what purpose are such sums being accumulated, and how will they ultimately be used?"

Mr. Montgomery congratulated New York for passing a law which he believes will eliminate "inequities in some companies" under which premiums for a certain class of policies are insufficient to pay all expenses, with the result that holders of different classes of policies are forced to pay higher premiums or receive depressed dividends.

Issuance of "self-sustaining" types of coverage only is Mr. Montgomery's suggestion for doing away with the practice of using estimated dividends in selling mutual life policies. Because the American people depend so much on life insurance it should be sold on a guaranteed basis only, he said. Acacia's position is that dividend estimates at the time of sale often result in bitter disappointment to the policyholder and lower the prestige of the entire industry, he added.

"If ever a basis existed for this practice, except to make the sale of high-premium mutual life insurance easier by liberally estimating future dividend payments, it is difficult in view of actual dividend history, to justify or find an excuse for its continuance at this time."

The report shows that Acacia had 1952 life insurance sales of \$130,575,163, a gain in excess of \$5 million over the previous year. Insurance in force totaled \$1,202,723,042 and assets rose to \$262,802,277, an increase of \$19,273,679. Unassigned surplus amounted to \$9,780,558, up \$1,488,054.

## 3-Man Committee of NALU to Confer on Company Members

Will Meet With N. Y. State Assn. Leaders to Seek Problem's Solution

Immediate Past President David B. Fluegelman, Secretary Stanley C. Collins, and Treasurer Osborne Bethel have been named a special committee of National Assn. of Life Underwriters to confer with the New York State association in an effort to work out a compromise that will provide the state association with the additional money it needs and yet avoid the company member plan adopted by the state body but held by the N.A.L.U. board to be in violation of N.A.L.U. by-laws. The board did not pass on the merits of the company-member plan.

The committee's suggestion was to confer with the state association at the regular delegate meeting, scheduled for the Hotel Statler, New York City, Nov. 5-6, and report back to the trustees at the midyear meeting next spring in New Orleans.

The New York State leaders have indicated appreciation of this move on the part of N.A.L.U., but there is some concern about the time this would take. The need for additional income is pressing and there is also the factor, mentioned at the discussions last spring during the state association meeting in Syracuse, that the life companies look with favor on the company member plan but have not made an offer to hold the door open indefinitely.

Consequently, there is talk of getting together with the N.A.L.U. three-man committee considerably in advance of the Nov. 5-6 delegate meeting. This might be done in several ways—a meeting of the committee with the state association's finance committee, with its general committee, which is the association's governing body, or at a special meeting of the delegates.

New York State association leaders are unshaken in their belief that the company member plan is the right way to go about getting support for activities that are in the interest of the life insurance industry as a whole, even though the New York plan was twice rejected by the N.A.L.U. trustees at the recent annual meeting at Cleveland. The second rejection was after the state delegation had issued a press release pointing out that the "logical implications" of the ban would include prohibition of sustaining memberships and other time-honored ways of augmenting regular dues. Following the second rejection, the New York State leaders issued another statement to the effect that they were sticking to their guns, since the company member plan had been authorized by a unanimous vote of the delegates at two meetings, at the second of which the delegates were on notice that the N.A.L.U. board might disapprove.

While they made it plain that they were opposed to seceding from the National association, the New York delegation at Cleveland pointed out that they had a mandate from their membership and unless it were changed they had no alternative but to carry it and even at the risk of expulsion by N.A.L.U.

(CONTINUED ON PAGE 30)



## Galaxy of August Production Records Helps Make K. C. Life a Billion Dollar Insurer

Kansas City Life now has more than \$1 billion of life insurance in force. The mark actually was reached about Aug. 20 during a production campaign honoring President W. E. Bixby.

Attainment of the goal was announced at a meeting of guests and home office personnel.

Mr. Bixby pointed out that Kansas City Life agents represent what is technically the world's largest life company offering exclusively ordinary, non-participating life insurance—no group, no industrial, no A. & H., no re-insurance, no participating business. The 58-year old company, he said, now has 425,000 policyowners.

Those present for the occasion included City Manager L. P. Cookingham, C. G. Wellington, managing editor, and Arthur C. Wahlstedt, first vice-president of Kansas City Star; W. T. Grant, chairman Business Men's Assurance; J. C. Higdon, president of B.M.A. and of the Kansas City Chamber of Commerce; Fred Gurley, president Santa Fe Railroad; Lawrence Leggett, Missouri superintendent of insurance; Frank A. Theis, Milton McGreevy, R. Crosby Kemper and Raymond W. Hall, company directors, all of Kansas City; J. T. Allen, Denver, also a director; General Agents H. M. Alton, Phoenix; L. C. Mersfelder, Oklahoma City; O. Sam Cummings, Dallas; W. S. Hunter, San Francisco, and the mayors of Kansas City and North Kansas City.

Passing the \$1 billion mark climaxed the annual observance of August as President Bixby's birthday month, when indefinitely.

### Carmichael, Blond Win Lincoln National Honors

R. A. Carmichael of the Benedict agency at San Francisco and A. J. Blond of the Wood agency at Chicago have been named president and vice-president, respectively, of Lincoln National Life's top honorary sales organization, the Minute-Men Club. Membership in the club is won by producing a specified large volume of business during July, August, and September.

Mr. Carmichael and Mr. Blond were first and second in production. This marks the sixth year in the club for Mr. Carmichael, and the ninth year for Mr. Blond.

### Keys Oklahoma Actuary

Mott Keys, secretary of the state industrial commission, has been named actuary for the Oklahoma insurance board to succeed Finis F. LaFon.

Mr. Keys at one time was director of insurance for the Maryland and Continental Oil companies. Before that he was actuary of the board and commissioner of the state insurance fund. His background also includes company experience.

### Prudential Names Two in Pa.

Two district managers have been named in eastern Pennsylvania by Prudential, Lewis Takas at Hazleton and Edward P. Canivan at Easton.

Mr. Takas joined Prudential as an agent at Bethlehem, Pa., in 1937, advancing to staff manager there after military service. He went to the home office in 1951 and was named regional supervisor the following year. Mr. Canivan started with Prudential at Binghamton, N. Y., in 1936, becoming staff manager five years later. In 1950 he was named Hazleton district manager. He is a navy veteran.

with written business of \$4,987,077.

A mammoth seven-tiered president's birthday cake in the lobby of the home office is crowded with candles, each representing an application submitted during the month. Around the base of the cake is the slogan "For Your Billion Dollar Birthday, President Bixby"—a goal now realized.

The company was host Sept. 3 at a reception for press, radio and television personnel of Greater Kansas City, and on Sept. 4 at a reception for civic and business leaders of the area to mark the milestone.

### Can Include Officers in Neb. Insurers' Benefit Plans

The new Nebraska rule governing benefit plans for domestic insurers has been modified to permit inclusion of company officers in such plans. The Nebraska supreme court some time ago in a case concerning Bankers Life of Nebraska ruled against including company officers in benefit plans.

The new rule does not set forth a specific maximum benefit, but instead makes the insurance director the final governing factor in determining whether or not benefits are too high in individual cases.



WE FOUND OUR  
"STAIRWAY TO STARDOM"  
away from the footlights!

... say Mrs. Carleton F. Bowman of Denver, Colorado

"For several years my husband and I had trained for singing careers in radio and the theater. We were happy at our work and enjoyed considerable success as performers, but as the years passed we both realized that the chance of really 'seeing our names in lights' was still remote. One summer after a long season on tour with a musical show, we decided that if ever we were to have a completely happy, satisfying life together—with a home and children—it was time for us to change our course.

"Turning from show business to 'just plain business' was the most difficult undertaking Carleton ever experienced. He tried five or six different jobs in just about as many years, but he never seemed very happy or satisfied.

"Finally, one day late in 1941 Carleton came home and announced that he was going to sell life insurance! I must admit I was shocked and upset, for selling life insurance had always seemed to me a last resort, and the possibilities for success as remote as 'seeing our names in lights'. But then I knew nothing of the Minnesota Mutual training program and its most remarkable sales tools.

"Nor did I know 12 years ago when we became members of the Minnesota Mutual family, that we would be heading up such a real stairway to stardom. Today—away from the footlights and microphones—we are enjoying our greatest success, and we both agree that the past 12 years have been the happiest of our lives.

"Today we find ourselves with a nice home paid for, a new car, a handsome life insurance program and, most important, we can now give our two daughters—Patty, 16, and Kathy, 8—all that we had hoped.

"Best of all, this success is the kind that lasts! Being associated with Minnesota Mutual has given us a wonderful sense of security. While I am sure there are many fine life insurance companies, I still feel that our company is different because there is such a warm feeling of real friendship among all company personnel. We are not just 'Agent C. F. Bowman and wife of Denver'; we are known by everyone in the organization, including the president, as 'Carleton and Kay'. This we like. And, I assure you, we are set for a long, long tour with the 'Minnesota Mutual show'!"

Organized 1880

THE MINNESOTA MUTUAL  
LIFE INSURANCE COMPANY

ST. PAUL 1, MINNESOTA

This letter, written by the wife of a Minnesota Mutual salesman, is published here as a deserved recognition of the enduring contribution she and her husband are making toward the continuing growth and progress of this Company.

We extend sincere congratulations and appreciation to these members of our sales organization who have demonstrated their ability to meet the high standards of excellence established by the National Quality Award.

1953

## Quality Award Winners

|                               |                    |                     |
|-------------------------------|--------------------|---------------------|
| John T. Bernert,<br>C. L. U.  | Clifford Knowler   | Earl E. Parminster  |
| James H. Brown,<br>C. L. U.   | Howard M. Koepke   | Frank E. Roehl      |
| *Robert R. Burtner            | *H. W. Krumwiede   | *John S. Spencer    |
| Hallie V. Busby               | Joseph A. LaSala   | Hillar J. Smith     |
| Leroy D. Eiffler              | *Carl Lutz         | *Russell E. Snygg   |
| Harry F. Elder                | John A. McBain     | Carlos E. Stebbins  |
| Francis M. Esmonde            | Dennis J. J. McGee | *Charles M. Stewart |
| D. Paul Fansler               | Dale Moore         | Glen M. Stewart     |
| Owen L. Followell             | *W. L. Mosgrove    | Raymond L. Stover   |
| *Earl F. Goodrich             | Pat Muldoon        | *Fortune A. Sullo   |
| Marc F. Goodrich,<br>C. L. U. | *Edgar P. Nispel   | Lindsey L. Vance    |
| Lloyd W. Hummel               | *Gordon G. Norvell | Arthur M. Victor    |
|                               | *Jay Overholser    | Glenn F. Waugh      |
|                               |                    | Albert A. Wistert   |

\*Indicates those who have qualified for five years or more.

**Bankers Life**  
INSURANCE of Nebraska  
COMPANY

## Pertinent Statistics



JANUARY 1, 1953

|                                  |                    |
|----------------------------------|--------------------|
| Insurance In Force               | Over \$669,000,000 |
| Assets                           | Over \$158,000,000 |
| Benefits Paid Since Organization | Over \$ 69,000,000 |
| Certificates In Force            | Over 449,000       |

**Aid Association for Lutherans**

Legal Reserve Fraternal Life Insurance

Home Office: Appleton, Wisconsin

## Southland Reaches New President's Month High

Southland Life agents produced more than \$22,190,000 of new business during August as a tribute to John W. Carpenter, chairman, and Dan C. Williams, president.

President's Month campaign is a tradition of many years with South-



Southland Life honored its chairman, John W. Carpenter, with a luncheon at the home office on his 72nd birthday. Standing behind Mr. and Mrs. John W. Carpenter are, left, Dan C. Williams, president, and Ben H. Carpenter, executive vice-president.

land Life, but the 1953 results were something new in that the month's new business volume exceeded that of the largest previous month in the company's history by more than 35%.

Southland's insurance in force now exceeds \$772,000,000.

The last day of the campaign fell on Mr. Carpenter's birthday, Aug. 31, and the record-breaking results were announced at a birthday luncheon honoring him.

## Equitable of Iowa Sets New Eight-Month Record

Equitable Life of Iowa recorded the greatest first eight months production in its 86-year history, with \$84,064,370 of new life insurance paid for through August, an increase of 6.7% over the first eight months of 1952.

New life insurance paid for in August was \$10,052,659. Insurance in force was increased to a new all-time high of \$1,276,374,742 as of Aug. 31.

Leading agency was that of F. A. Smart, Detroit.

## Western States Changes

Reginald H. Threlfall has been appointed superintendent of agencies for Western States Life, succeeding Eric W. Berg who becomes director of agencies.

For many years Mr. Threlfall was with Great-West Life at Minneapolis as a supervisor and later as an agent. Before that he was a coach at Bates College, Lewiston, Me., and for several years head football coach and director of athletics at South Dakota State College.

Mr. Berg had been superintendent of agencies since 1951.

## Hikes Discount Rate to 2½%

Great Southern Life has increased the discount rate on premiums paid in advance from 2 to 2½%.

The company will accept a maximum of \$25,000 on any one life to be thus discounted. Any excess will be subject to a somewhat lower discount rate, to be determined by the total of the sum tendered.

## ACTUARIES

### CALIFORNIA

**COATES, HERFURTH & ENGLAND**

CONSULTING ACTUARIES

San Francisco Denver Los Angeles

### GA. VA. - N.Y.

**BOWLES, ANDREWS & TOWNE**

Consulting Actuaries

Employee Benefit Plans

Atlanta • Richmond • New York

### ILLINOIS

**CARL A. TIFFANY & CO.**

CONSULTING ACTUARIES

211 West Wacker Drive

CHICAGO 6

Telephone FRanklin 2-2633

**Harry S. Tressel & Associates**

Certified Public Accountants

and Actuaries

10 S. La Salle St., Chicago 3, Illinois

Telephone FRanklin 2-4020

Harry S. Tressel, M.A.I.A.

M. A. Wolfman, F.S.A.

M. A. Moscovitch, A.S.A.

Wm. H. Ollivett, C.P.A.

Robert Barry

**CHASE CONOVER & CO.**

Consulting Actuaries

and Certified Public Accountants

M. F. BRENNAN, M.C.A.

A. S. BOYD, JR. — KENNETH CAMDEN, C.P.A.

Telephone FRanklin 2-3863

135 S. La Salle St. Chicago 3, Ill.

### INDIANA & NEBRASKA

**Haight, Davis & Haight, Inc.**

Consulting Actuaries

ARTHUR M. HAIGHT, President

Indianapolis — Omaha

### MISSOURI

**NELSON and WARREN**

Consulting Actuaries

Pension Consultants

ST. LOUIS KANSAS CITY

### NEW YORK

Consulting Actuaries

Auditors and Accountants

**Wolfe, Corcoran & Linder**

116 John Street, New York, N.Y.

### OKLAHOMA

**W. J. BARR**

Consulting Actuary

HOME STATE LIFE BUILDING

OKLAHOMA CITY, OKLA.

### PENNSYLVANIA

**FRANK M. SPEAKMAN**

CONSULTING ACTUARY

ASSOCIATE

E. F. Higgins

THE BOURSE PHILADELPHIA



## Growth of Life Insurance Parallels That of Nation Itself, Lincoln Says

Growth of life insurance in the United States bears a remarkable resemblance to the growth of the country itself and to its evolution as the foremost nation on earth, Leroy A. Lincoln, chairman of Metropolitan Life, said in addressing a meeting commemorating the 50th anniversary of Volunteer State Life at Chattanooga.

In drawing his parallel between the growth of life insurance and that of the country itself, Mr. Lincoln pointed out that the path of each has been beset with pitfalls and troubles. In the case of the nation, wars, pestilence, depressions and scores of other disasters could not prevent the transformation of a wilderness into the energetic and dynamic economy of today. In the case of life insurance, abuses, investigations, derogatory allegations and other difficult problems failed to halt the continuous progress of the business to its present position of leadership in national development.

"We are all proud," he said, "to call the story of life insurance an open book; its pages must necessarily contain good and bad ideas. The crowning glory of the life insurance institution is that the good ideas have gradually come to be almost universally accepted as a chart for those engaged in our business as, day by day, we act as trustees for the future welfare of the great majority of our citizens."

The 50-year history of Volunteer State Life, Mr. Lincoln pointed out, covers a period of stirring times and thrilling events in the history of the nation and in the story of life insurance.

The first decade, 1903-1913, was a period of dissension, exposure and reform—brought about and made necessary by the irregularities existing in certain corporate practices. The Armstrong investigation in New York resulted in a new body of laws governing the operation of insurance companies, contributing more to the sound development of life insurance than any other single factor.

Life insurance should be grateful for the investigations of that period, Mr. Lincoln added, since they resulted in a high degree of uniformity in insurance laws and regulations, and produced reforms which have endured to this day. During the half-century since the Armstrong investigation, life insurance has been carried on a high plane and with a deep sense of trusteeship on the part of all concerned.

The second decade (1913-1923) of Volunteer State witnessed a dawning of social consciousness on the part of the whole life insurance business, Mr. Lincoln declared. Life insurance ideas developed and experiments performed during these years were later used by other businesses, other institutions, and the government.

Continuing the abiding interest of life insurance companies in public health—which had already seen one company utilizing a visiting nurse service for its ailing policyholders—this decade saw the same company conduct three great experiments in which the whole population of three communities participated. The first was an attempt to reduce the death rate from tuberculosis; the second to reduce infant mortality, and the third to reduce the death rate at all ages from all causes.

The decade also saw the introduction of many new forms of insurance, including group life insurance, group and personal A. & H. policies, and retirement annuity contracts. The dissemination of these insurance ideas, Mr. Lincoln noted, served to awaken the American people to an awareness of their own responsibilities for their own security. And it demonstrated that

the reasonable needs of the people can be met through private means without recourse to government.

By education, advertising and personal solicitation, the American people had been made aware of the advantages of adequate life insurance, which led the government to provide war risk insurance for service men during the first world war. The resulting widespread knowledge of insurance was reflected in tremendous sales, and by the close of the decade the total life insurance in force in the country was more than \$55 billion—three times that

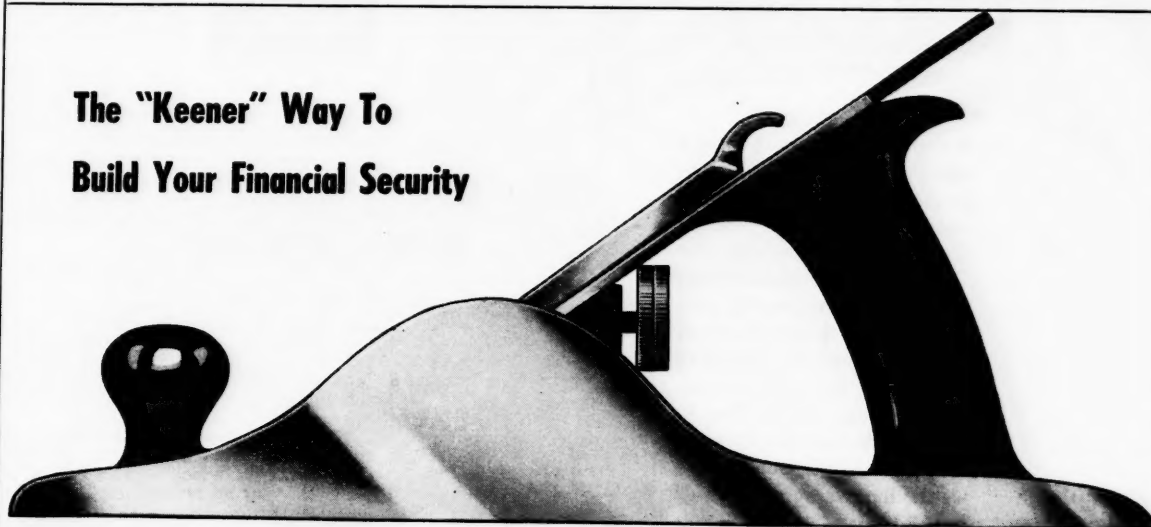
of 1913.

The third decade (1923-1933), Mr. Lincoln observed, was a period of prosperity and financial chaos.

During this period, the life insurance companies, by experiment and research, continued to provide improved benefits and services for their policyholders. Among the developments were double indemnity benefits for industrial policies, salary savings plans, family income policies and group policies covering the expenses of hospitali-

(CONTINUED ON PAGE 11)

### The "Keener" Way To Build Your Financial Security



## Use the BETTER TOOLS

offered you in MIDLAND MUTUAL'S Prosperity Contract

Make every "Selling Stroke" count with these unique quick closers

**The Foresighter** — For children

**The Protect-Her** — For women

**The Compensator** — For saving

**The Securator** — For supplementing social security

**The Cancellor** — For mortgage

**The Annuitor** — For protection and retirement income

**The Econo-Check** — For easy payments

**Plus** other unusual Selling Aids

### TYPICAL CONTRACT BENEFITS FOR AGENTS AND GENERAL AGENTS

- Liberal first-year commissions
- Monthly expense allowance
- Extra 2nd and 3rd year commissions (For agents only)
- Continuous service fee after vested renewals expire
- Vested overriding renewals whether you live, die or quit (General Agents only)
- Attractive retirement plan
- Success-proven training plans
- Group life for career men
- Expense-free compensation plus 1st year and renewal overridings (General Agents only)

#### TERRITORIES OPEN:

Agency opportunities are open in these states

|                |            |
|----------------|------------|
| OHIO           | INDIANA    |
| PENNSYLVANIA   | MICHIGAN   |
| NEW JERSEY     | ILLINOIS   |
| WEST VIRGINIA  | IOWA       |
| KENTUCKY       | CALIFORNIA |
| NORTH CAROLINA |            |

Write for full details on our Prosperity Contract, if you've had some successful insurance experience and are 28 to 50. Address: Russell S. Moore, Manager of Agencies.

**The MIDLAND MUTUAL Life Insurance Co.,**

250 E. Broad Street, Columbus 16, Ohio

## One-A-Week

in completed applications is a challenging and profitable objective for both the experienced and the more recently recruited field associate. The Company's experience proves that consecutive weekly production and quality business go hand in hand. The Company is proud of its 141 field representatives whose One-A-Week Club records range upward to 1,850 consecutive weeks, the average being well over 8 years.

KEYED FOR  
EASIER LIFE  
UNDERWRITERS

FOUNDED IN 1867 IN DES MOINES

**EQUITABLE**

**LIFE INSURANCE  
COMPANY OF IOWA**



*Let's talk*

### INSURING SPECIAL CLASS RISKS

By Donald E. Yochem, B.S., M.Sc., M.D.

In far too many instances, applicants for life insurance have refused to accept special class ratings and have thereby deprived their families and themselves of sorely needed protection. As a result, agents, medical examiners, agencies and home offices have often incurred much ill will and loss of business.

As one of the country's outstanding medical directors, Dr. Yochem deals with special class risks in this new book in a manner so clear and helpful that every life underwriter, agency head, medical examiner, home office underwriter, and home office agency executive should read and have it available for constant reference.

Soft-bound edition, \$1.60; hard-bound edition, \$2.25.



**THE INSURANCE RESEARCH & REVIEW SERVICE**

Hilbert Rust, C.L.U., President

**INDIANAPOLIS**

## Seale Resigns as Manhattan Agency V.-P.

H. O. Seale, Jr., has resigned as agency vice-president of Manhattan Life to take effect at such time as is mutually agreeable to him and the company.



H. O. Seale, Jr.

Mr. Seale states he is largely motivated in making this move by a desire to leave New York City. He has not announced his future plans. He joined the company in 1945 as Pacific Coast supervisor, with headquarters in Los Angeles. In 1949 he was appointed superintendent of agencies of the western division. In 1950 Mr. Seale went to New York as director of agencies. Last May he was elected agency vice-president.

Mr. Seale started in life insurance as an agent of Northern Life of Seattle in 1927 at Eugene, Ore. He later became its manager at Oakland, Cal., supervisor for Oregon, manager at Los Angeles, and supervisor for California, which at that time accounted for about one-third of Northern's business.

When Mr. Seale joined Manhattan in 1945 California was the only Pacific Coast state in which it operated. The previous year its production there was \$180,000. From June 1, 1945, when he was appointed, to the end of the year production totaled \$974,000. For 1946 it was \$3,662,000. In 1949 the company entered Washington and production on the west coast climbed steadily, reaching \$16 million a year in 1951 and 1952. Up to Aug. 15 of this year it was more than \$11 million.

For the entire company, the 1953 production figure through Aug. 15 shows a substantial increase over the corresponding period of 1952, which was Manhattan's record year.

## 'Shop Talk' Is Theme for Mich. Management Rally

LANSING, MICH. — A "shop talk" theme has been adopted for the life agency management conference planned at Michigan State College for Sept. 30-Oct. 1. Fred A. Lumb, general agent of New England Mutual Life at Grand Rapids, is chairman.

Dudley Dowell, vice-president of New York Life, will address the opening dinner Sept. 30 on "What Makes a Good Shop?"

The following day, speakers will be William E. Hays, general agent New England Mutual, Boston, "How is Your Shop Growing?"; Judd C. Benson, general agent Union Central, Cincinnati, "Is Your Shop Well Organized?"; G. D. Hansen, manager Western & Southern, Grand Rapids, "How is Your Shop Morale?"; Carl Strong of the college continuing education service and insurance coordinator, "More on Morale"; Charles Irvin, M.S.C. department of communications skills, "How Is Your Shop Talk?"; and Harold J. Cummings, president Minnesota Mutual, St. Paul, "Is Your Shop Looking Ahead?"

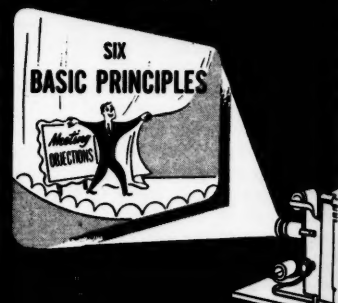
## N. Y. State Fair Exhibit

The New York insurance department has an exhibit at the State Fair at Syracuse that runs Sept. 5-12. It is located in the Grange building and consists of technicolor movies showing major hazards of everyday life, the steps that should be taken to prevent their occurrence and the role of insurance in providing protection against loss. There is also shown in graphic form the primary functions of the department and its public services and facilities.



## Training Aids

P. P. BURNETTE, Pacific Mutual General Agent at Norfolk, Va., since 1950, has doubled his agency production annually for the past 3 years. "My agency building pattern is tightly tied into Pacific Mutual's new audio-visual program for getting good men into production fast," says Burnette. "Here's a recruiting and training tool geared to top-flight agency development."



**Pacific  
Mutual**

LIFE INSURANCE COMPANY

HOME OFFICE  
LOS ANGELES, CALIFORNIA

"GIANT OF THE PACIFIC"

1868

LIFE • ACCIDENT & HEALTH  
RETIREMENT PLANS • GROUP

1953  
Pur  
Und  
While  
by the  
first o  
about  
they a  
total b  
od of  
laws v  
invest  
compa  
Com  
compa  
seven  
the In  
compa  
respon  
the ye  
in the  
The  
panies  
of the  
laws.  
Bec  
comm  
life co  
have  
March  
fied. C  
ings w  
\$871 m  
In t  
the w  
creases  
mon a  
000,00  
vested  
to the  
An  
also b  
panies  
British  
assets  
of this  
in 1945  
in stoc  
Canada  
assets  
compa  
Blue  
A spr  
od whi  
under  
Shield  
ly ope  
Menne  
tion d  
gan B  
Gov  
Cross-  
and hi  
zens a  
to pro  
hospit  
Enr  
Shield  
availa  
der 65  
employ  
necess  
be cov  
period  
as we  
marrie  
all dep  
can b  
Wash  
The  
rate o  
comp  
incre  
mum  
from  
000. T  
premi  
crease



## 1953 Common Stock Purchases Continue Under 1950 Record

While purchases of common stocks by the U.S. life companies since the first of the year have been running about one-sixth larger than a year ago, they are still less than half of the total bought in the corresponding period of 1950, the year before New York laws were modified permitting limited investment in such securities by the life companies doing business in that state.

Common stocks purchased by life companies were \$59 million in the first seven months of the year, according to the Institute of Life Insurance. This compares with \$50 million in the corresponding period of 1952; \$91 million the year before that, and \$132 million in the first seven months of 1950.

These figures indicate that life companies have not taken much advantage of the liberalization in the New York laws.

Because of the high retention rate on common stocks during this period, the life companies' holdings of such shares have increased by \$178 million since March, 1951, when the law was modified. On Aug. 1 of this year, such holdings were \$743 million, compared with \$671 million a year ago.

In the eight years since the end of the war, the life companies have increased their stock holdings, both common and preferred, by about \$1,500,000,000 and the \$2,270,000,000 so invested has increased from 2% of assets to the present 3%.

An increase in stock holdings has also been reported by the life companies in the United Kingdom. The British offices had nearly 20% of their assets in corporate shares at the start of this year, compared with about 16% in 1945. In Canada, though, the increase in stock holdings has not been as great. Canadian companies had 5.7% of their assets in stocks at the start of this year, compared to 6% in 1945.

### Blue Cross Month in Mich.

A special non-group enrollment period which will enable Michigan citizens under 65 to join Blue Cross-Blue Shield on an individual basis officially opened on Sept. 1, as Governor G. Mennen Williams issued a proclamation designating September as "Michigan Blue Cross-Blue Shield Month". Gov. Williams, who took out Blue Cross-Blue Shield coverage for himself and his family Sept. 1, urged all citizens and organizations to "join forces to provide themselves with prepaid hospital and medical services."

Enrollment during Blue Cross-Blue Shield month will be by mail, and available to residents of Michigan under 65, including those retired or self-employed. No medical examination is necessary. Pre-existing conditions will be covered after a six-month waiting period. Coverage will include surgery as well as hospital benefits. Those married will have to enroll spouse and all dependents under 19, but the spouse can be 65.

### Washington Nat'l Ups Discount

The Washington National discount rate on advance premiums paid to the company on or after Sept. 1 has been increased from 2 to 2½%. The maximum amount which will be accepted from any policyholder will be \$100,000. The discount rate on withdrawn premiums so deposited will be increased from 1 to 1½%.

## We're proud as peacocks

SINCE WE HEARD THE NEWS



More Prudential Representatives received the National Quality Award for 1951-52 than representatives of any other company.

According to recent reports from the Life Insurance Agency Management Association and the National Association of Life Underwriters, a total of 950 Prudential representatives received National Quality Awards for the period ending December 1952.

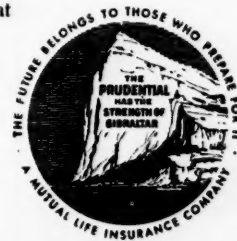
Thus, for the *second* consecutive period, Prudential life underwriters have led the insurance field . . . writing the kind of life insurance policies that best serve the policyholder and contribute to the stature of the industry.

To them, and to all winners of the National Quality Award, our heartiest congratulations!

## The PRUDENTIAL

INSURANCE COMPANY OF AMERICA

Home Office: Newark, N. J. • Canadian Head Office: Toronto, Ont. • Southwestern Home Office: Houston, Texas • Western Home Office: Los Angeles, Calif.



## UNLIMITED OPPORTUNITIES FOR AGENCY BUILDERS

Western Life offers exceptionally good compensation and outstanding opportunity to qualified producers. Why wait until it is too late? See what we have to offer now. You can be a top man with Western and have security for the rest of your life. Some openings for General and Associate General Agents — your manager's recommendation will help.

R. B. RICHARDSON, Pres.  
LEE CANNON, Agency V.P.

Assets over \$53,000,000 • Insurance in Force over \$238,000,000



## THE Book for all Life Underwriters THE LIFE INSURANCE POLICY CONTRACT

PUBLISHED UNDER THE AUSPICES OF  
THE AMERICAN SOCIETY OF CHARTERED LIFE UNDERWRITERS

by 21 Distinguished Co-Authors\*

Editors-in-chief: Harry Krueger, C.L.U.—  
Leland T. Waggoner, C.L.U.

### Summary of Contents

What Constitutes the Policy Contract  
A Few Simple Rules of Contract Law and Their Application to Life Insurance Contracts  
Prepayment of the First Premium  
The Effective Date of the Contract  
The Incontestable Clause  
Beneficiary Clauses and Their Legal Implications  
Settlement Options and Legal Problems  
Additional Legal Problems Created by Settlement Options  
The Assignment Provision  
The Policy Loan Provision  
The Nonforfeiture Provision  
Reinstatement  
The Dividend Clause  
The Disability Clause—Its Development and Present Status  
Double Indemnity  
The Suicide Clause  
The Aviation Exclusion  
The War Clause  
State Legislation Affecting the Life Insurance Contract

### Appendixes

A Typical Policy Contract  
Typical Provisions Added by Rider—Double Indemnity, Waiver of Premium, War Limitation on Coverage

### Table of Cases—Index

"Practical" is the word for this clear, concise, yet comprehensive guide to the meaning and effect of the provisions of the life insurance policy contract. If you are concerned with these problems, you cannot afford to be without this up-to-date work. No other book offers you such direct, pinpoint coverage of the policy contract. It is a timesaving investment in information and accuracy.

It will ensure your ability to understand and explain the policy contract by its complete coverage of each type of provision and of all questions relating to the provisions. (See Summary of Contents.)

It is easy to use. The simple clause-by-clause organization, standout headings that provide a key to the text discussions, and detailed topical index and table of contents all afford speedy access to the coverage of the particular problems that trouble you.

It is a book that you can rely on. The twenty-one authors constitute a vital reason why this book is authoritative. And the statements of these specialists are further supported, wherever pertinent, by footnote references to up-to-date judicial opinions and authorities.

\*Buist M. Anderson, John Barker, Jr., Dwight Brooke, Deane C. Davis, Louis W. Dawson, Robert Dechert, Byron K. Elliott, Orville F. Grahame, Raymond Harris, Robert L. Hogg, Benjamin L. Holland, Keith B. Hook, Walter Klem, Emory M. Nourse, Theo P. Otjen, Daniel J. Reidy, H. Lewis Rietz, Sylvester C. Smith, Jr., Thomas H. Smith, Lelia E. Thompson.

### ORDER FORM

LITTLE, BROWN & COMPANY  
34 Beacon Street  
Boston 6, Massachusetts

Please send me THE LIFE INSURANCE POLICY CONTRACT.

☐ my check for \$6.50 enclosed  
☐ bill me ☐ send on 15 day approval

Name \_\_\_\_\_

Address \_\_\_\_\_

### Complete Card for Bureau Meeting

The full program has been printed for the annual meeting of Bureau of A. & H. Underwriters Oct. 6-8 at the Signory Club, Montreal.

Superintendent Georges Lafrance of Quebec will welcome the members at the first session and E. A. Hauschild, Security Mutual Life, chairman of the governing committee, will make his address. Talks will be given that morning by Clarence J. Myers, New York Life, on "A Life Insurance Executive Looks at the A. & H. Business;" Manton C. Eddy, Connecticut General Life, "Group Insurance—Today and Tomorrow," and Stefan Hansen, Great-West Life, "The Evolving Concept of Financing Medical Care."

In the afternoon, L. B. Soper of New York Life will preside as talks are given by W. De V. Washburn, American Health, on hospital insurance; S. G. Dulaney, Travelers, on coinsurance, Richard L. Glazier, Life of Virginia, on the effect of age on the cost of hospital insurance, and Carman A. Naylor, London Life, treating problems in writing group on retired employees. That evening after dinner there will be entertainment.

On the second morning, with Mr. Hauschild presiding, Francis Perryman, Royal-Liverpool, will talk on the expense factor; Earl M. MacRae, Occidental Life, will discuss "What Price Complexity;" E. Reginald Brock, Great-West Life, will discuss "Frills;" Berkeley Cox, Aetna Life, will have reasonableness of benefits as his subject, and Raymond Ely, General American Life, will talk on "Duplication of Coverage and Over-Insurance as Respects Group Insurance."

The afternoon of the second day will be devoted to the golf tournament, and there will be a sideline attraction of horse-shoe pitching. The chairman's reception is scheduled for that evening to be followed by the banquet and the dance.

The business meeting and committee reports will take place the morning of Oct. 8.

### State Mutual Life Relaxes Military Underwriting Rules

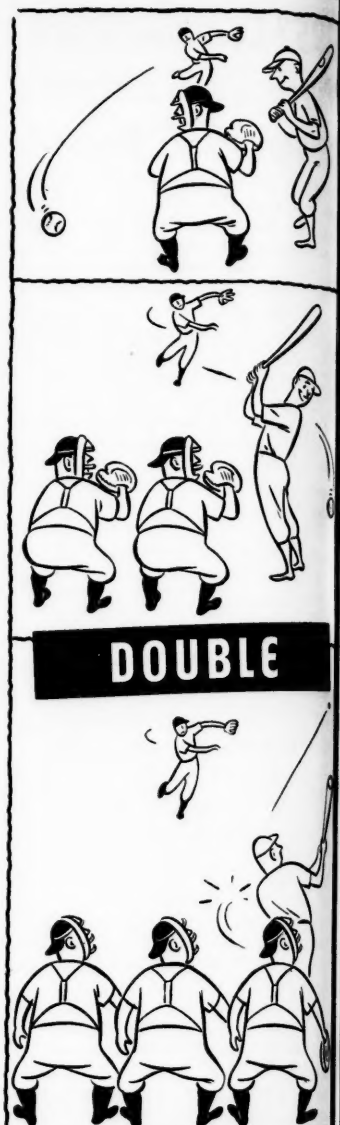
State Mutual Life has increased the amount of unrestricted coverage on military risks submitted by its own agents and first-line brokers.

The new limits are \$20,000 on officers and \$10,000 on enlisted men. The company also has discontinued its territorial aviation rider, formerly limiting aviation coverage to the western hemisphere, so that coverage is now world wide for military pilots and crew members.

Regulations have been generally relaxed on all other risks with any likelihood of military service. War clauses will no longer be imposed on any new business. Those policies issued with war clause since June, 1950, totalling only 155, are being reviewed for liberalized treatment.

### Pru Expands Minn. Office

MINNEAPOLIS — Prudential has leased an additional 30,000 square feet of floor space in downtown Minneapolis for the temporary quarters of its new north central regional office. The additional space will permit the continuing transfer of home office functions to Minneapolis pending completion of its new building. Prudential now has more than 350 employees in its regional office which will eventually have 1,500.



DOUBLE

and TRIPLE  
PROTECTION

a convertible rider that may be attached to all plans except term extraordinary protection at favorable rates

20 year plan written through age 50  
— 15 year plan written through age 55

The COLUMBIAN NATIONAL  
LIFE INSURANCE  
Company

BOSTON 12, MASSACHUSETTS

### OPPORTUNITY FOR CAREER PEOPLE

If you are interested in making Life Insurance selling your career,  
If you want to become a Life Insurance Counsellor instead of a peddler of \$1000 policies,  
If you want to make more money; then write to

J. Allen Porterfield, Field Manager  
EQUITABLE RESERVE ASSOCIATION  
Neenah, Wisconsin

(Good territory open for men or women in Illinois, Michigan, Minnesota and Wisconsin.)

"ALL OVER the country life insurance managers and agents are watching with keen interest the program of this Company for putting much greater earnings into your pockets as a means of increasing sales."

So reads the first paragraph of a reprint of a talk delivered to the General Agents of the Philadelphia Life by President William Elliott. This enlightening talk will no doubt prove of interest to you. Why not write today for a free copy of this booklet.



Doorway to  
Protection

PHILADELPHIA LIFE  
INSURANCE COMPANY - PHILADELPHIA, PA.

William Elliott  
President

Joseph E. Boettner, C.L.U.  
Agency Vice President



Septem  
Asst.  
Feels  
Owe  
CHAE  
which p  
be requ  
curity o  
departm  
express  
eral Vir  
a query  
"The  
arisen,"  
tion wit  
and wh  
paymen  
the soci  
Miss  
W  
Rate—  
mon. L  
Frida  
Individ  
payment  
T  
A  
Insu  
Sou  
yea  
ing  
son  
tion  
bui  
The  
sur  
is p  
vis  
A  
ma  
ply  
U-1  
173  
C  
GENE  
location  
Agency  
middle  
surace  
backgro  
Agency  
Graduat  
in Busin  
Address  
175 W.  
LIFE  
Large n  
27-45, w  
head lif  
advanc  
eral qua  
experien  
Co., 175  
AS  
Rapidly  
Compan  
trial exp  
will cons  
Please m  
salary a  
Underwr  
4, Ill.  
Junior C  
with 20  
and Ho  
securing  
for a c  
National  
Chicago



## Asst. Attorney General Feels Insurance Firms Owe Examiners S. S.

CHARLESTON, W. VA.—Insurers, which pay the examining fees, should be required also to pay the social security contributions for the insurance department examiners, is the opinion expressed by Assistant Attorney General Virginia Mae Brown in answer to a query from Commissioner Gillooly.

"The particular problem that has arisen," Gillooly wrote, "is in connection with social security contributions and who is liable, if anyone, for the payment of the employer's share to the social security fund."

Miss Brown noted that, although the

examiners receive their instructions and assignments from the insurance commissioner, they are paid by the companies under examination.

"It is our opinion," Miss Brown said, "that matching funds equal to social security contributions are necessarily a part of the costs of the examination and legally chargeable as such to the company, organization, group or association so examined."

## Citizens Standard Ready; Doughty Is President

Preston Doughty has been elected president of Citizens Standard Life, the company which has been in the process of organization at Corpus Christi, Tex.

At a meeting of stockholders, addressed by Louie E. Throgmorton, vice-president and public relations director of Republic National Life, and George Van Fleet, Austin consulting actuary, Mr. Doughty said that stock has been completely subscribed.

Other officers are Ira R. Fisher, Jr., executive vice-president; R. C. Jared, Jr., agency director; Heyward White, vice-president; Robert M. Banks, secretary; Roy Doughty, treasurer; Dr. McIver Furman, medical director; J. R. Sorrel, general counsel, and Mrs. Helen S. Quinn, assistant secretary.

## Sees Credit Life Emergence

BATTLE CREEK, MICH.—Harold L. Buck, vice-president of Federal Life & Casualty, whose home office was recently moved here from Detroit, called credit life insurance the fastest growing phase of the business in a talk to the local Optimists club.

He expressed the opinion that "in the next five or 10 years credit life insurance will be as much a part of any loan transaction as the money itself." He said his company entered this branch of the business only last January but now anticipates it will become one of its largest departments.

## Allen Joins Mutual Life

William R. Allen has joined Mutual Life as assistant to the manager of farm mortgages. He formerly was with the appraisal subdivision of the farm credit administration at Washington. He also has served as project manager in charge of land acquisitions for the War Department. He is an army veteran.

## To Commemorate 20 Years

ST. LOUIS—In commemoration of General American Life's 20th anniversary a dinner, dance and a special floor show from the Chase Club will be given for the company's home office associates on Sept. 21 in the Chase Club of Hotel Chase.

## Ketchum Joins N.E. Mutual

New England Mutual Life has appointed Dr. William F. Ketchum assistant medical director. He has had extended hospital and private practice experience and just before taking his new post was a fellow in biological research at Harvard medical school.

## Estate Planning Lawyers' Topic

MINNEAPOLIS—Estate planning with attention to the use of insurance will be the subject of the fourth annual autumn institute for lawyers to be sponsored by Minnesota State Bar Assn. here Oct. 16-17. Edward L. Gruber, president, explained that taxes and death costs often take a heavy toll of the average estate and he said this occurs more often than is necessary because there are ways of lessening these expenditures through the proper distribution of real estate, insurance and cash.

## WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

## OPPORTUNITY

An Old Line Legal Reserve Life Insurance Company, located in the Southeast, which is now in its 46th year of successful operation, is seeking the services of a qualified person to Supervise its present operations in the State of Texas and to build new organization in that state. The person must have had life insurance selling experience and it is preferred that he have had supervisory experience.

An attractive arrangement will be made with the person selected. Reply in strictest confidence to Box U-13, c/o National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## CONNECTION WANTED

Home Office or Agency Manager GENERAL AGENT desires change from present location. Well qualified to serve in Home Office Agency Department or as Agency Manager in middle western or western city. Entered life insurance business as personal producer. Good background of organization experience both as Agency Head and Home Office Supervisor. Graduate of L.I.A.M.A. School. College degree in Business Administration. Excellent references. Address U-21, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## LIFE AGENCY MANAGER

Large midwestern general agency seeks man 27-45, with executive ability and experience, to head life division. Exceptional opportunity for advancement and general agency training. Liberal guarantee. Write, giving background and experience to Box U-4, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## ASSISTANT ACTUARY

Rapidly growing progressive Upper Midwest Company has opportunity for man with actuarial experience. Prefer Associate in Society but will consider one who has passed 4 examinations. Please state age, experience, marital status and salary expected. Address U-11, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## AVAILABLE

Junior Officer of Major Life and A. and H. Co. with 20 years experience in sales management and Home Office Operations. If interested in securing services of hard working man looking for a challenge contact Box No. U-24, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## IF "You"

WANT TO BUILD AN AGENCY

"We" HAVE THE TOOLS AND TERRITORY

• Complete Line of LIFE INSURANCE

• ACCIDENT — SICKNESS Regular and Non-Cancelable

Special contracts: Labor, F.E.P.A., Franchise, School Child, Group, Unit Plans, HOSPITALIZATION — Regular and Non-Can.

## General Agency Openings

ILLINOIS - TEXAS - OKLAHOMA - TENNESSEE - NO. DAKOTA

Liberal Contracts . . . Fully Vested Renewals

"A Most Valuable Franchise"

WRITE OR WIRE IN COMPLETE CONFIDENCE

A. B. OLSON, AGENCY VICE PRESIDENT

World Insurance Building

In the insurance world . . .  
... It's World Insurance



**World** INSURANCE COMPANY  
Home Office Omaha, Nebraska

COMPLETE PROTECTION

Agency Franchises Available

JEFFERSON NATIONAL

Life Insurance Company  
INDIANAPOLIS INDIANA

TOWARD

Happy Years

Serving  
Lutherans  
since 1879

Those are my kids playing out there blissfully unaware of the future and its problems. Taxes and the high cost of living don't mean a thing to them. They're building dream houses in the sand and the sun.

But they're going to be happy... they are going to know what it's like to walk along the tree-shaded walks of some college campus, to cheer the team at the big football game, and to get a little... or a lot... of the wisdom of the ages in libraries, laboratories, and classrooms.

No matter what the future brings, it can't take me away from them forever. It can't because no man, even though he be gone in person, can be lost in spirit as long as what he has done lives in the memory of his loved ones.

That's why I'm taking care of my kids... the Lutheran Mutual way!



## Lutheran Mutual LIFE INSURANCE COMPANY

HOME OFFICE • WAVERLY, IOWA

*This advertisement will be run in magazines read from coast to coast*

No. 1 in a series of  
father-son combinations  
in the  
Modern Woodmen  
Agency Force



## THE ORTMANS OF ILLINOIS



### C. Francis Ortman

"Fran" Ortman, Rock Island, joined the Modern Woodmen family, January 1, 1940, left for Army service in 1945, and became re-associated with the Northern Illinois field force as a District Manager in 1946. Fran was among the first 50 producers in 1941, '46 and '48—the first 20 in 1949, '50, '51 and '52. He was leading District Manager in 1952, with more than \$1,000,000 new life insurance written.

### C. A. Ortman

"Charlie" Ortman, Kankakee, has been associated with Modern Woodmen in Illinois since May 1, 1917. He served as a Local Agent until 1926, when he was named District Manager. Since 1938, he has served as Northern Illinois State Manager. Charlie's territory production is always among the leaders. He placed third his first year, topped the list in 1943, and has finished "two-three" every year since 1946.

Increased earnings and the opportunity to "get ahead" are built into the future of the Modern Woodmen agent. If you want a career with a future—one that will give you an opportunity to use your talents to the fullest—there's a place for you at Modern Woodmen.



(Est. 1883)



MODERN  
WOODMEN  
OF AMERICA

ROCK ISLAND, ILLINOIS  
Assets exceed \$175,000,000

## C. of C. Survey Shows Gains in A.&H. Coverage

The U. S. Chamber of Commerce has conducted a survey on the purchase of A. & H. insurance which shows that at the end of 1952, 22,254,000 individuals were protected against hospitalization expense, a gain of 3% over 1951. This total includes 10,090,000 policyholders and 12,164,000 dependents.

On surgical expense, the figures are 19,196,000, a 17% increase, while for medical there is a 21% increase to a total of 5,118,000.

There was only a slight increase in the number of persons insured against loss of income because of accident or sickness, the figure in 1952 amounting to 12,656,000 persons as compared with 12,558,000 in 1951. In addition there were 4,835,000 individual policies providing weekly or monthly payments for disability due to accident alone, and 281,000 policies for sickness alone.

The figures do not include group or Blue Cross-Blue Shield plans, mutual benefit associations, salary-continuation plans, union plans or others.

## Liberty L. & A. in Delaware

Liberty Life & Accident of Muskegon, Mich., has been licensed in Delaware and has opened an office at Newark, Del., in charge of Gurney Kissingner. He has been in insurance work for three years and earlier was with Westinghouse Electric in industrial relations.

The company, which has operated only in Michigan and Indiana since its organization, plans a steady expansion into additional territory.

## Musser to Home Office

John F. Musser, district group sales supervisor of Prudential at Cleveland, has been promoted to assistant general sales manager of the group department at the home office.

For six years Mr. Musser has served at Nashville, Indianapolis and Cleveland. He is an army veteran.

## Hospital Ruling in Ohio

The Ohio attorney-general has given opinion to the insurance department to the effect that if complaint is made

that any association or hospital operating under a service contract is providing coverage beyond the scope of the contract approved by the department, allowing the hospital to receive compensation in excess of a fair value of the use of its equipment or services supplied by it, the complaint should be referred to the state medical board for consideration.

## North American, Toronto, Revises Rate Manual

North American Life of Toronto has reissued its rate book in a new format, loose leaf style.

Plans on the preferred series have been increased by the addition of a new plan on the participating basis, preferred income protection. This plan is paid up at 65 and the policyowner then has a choice of continuing the policy as paid up protection for its full amount; an income of \$5 per month (\$4.33 for female) for life (guaranteed for five years certain) for each \$1,000 unit; or \$754 in cash for each \$1,000 unit. Minimum issued is \$5,000.

Two plans replace the former participating life preferred, \$5,000 and over. Life preferred par is now available in amounts of \$5,000 to \$9,999, and life select par in amounts of \$10,000 and over.

The rate book also contains a completely new series of small policies from \$1,000 to \$2,499 on a limited number of plans on the participating basis only.

Certain upward revisions have been made in the company's dividend scale for the current series of policies as of July 1. The rate of interest on dividends left on deposit is 3 1/4% per annum.

## L. & C. To Mark 50 Years

An entire section of the Nashville Tennessean for September 13 will be on the 50th anniversary of Life & Casualty, which was established in October, 1903.

## First Okla. Meeting Sept. 28

Oklahoma A. & H. Assn. will hold its first fall meeting Sept. 28 at Oklahoma City. Travis T. Wallace of Dallas, president of Great American Reserve, will be the speaker.

## CLU's at S. F. Hear Attorney

Alvin D. McNeil, San Francisco lawyer, discussed the work of the attorney, public accountant and agent in estate planning at the first of a new series of monthly meetings of San Francisco C.L.U. chapter.

## CLU Course at Los Angeles

Los Angeles C.L.U. chapter is sponsoring courses this fall and winter at the University of Southern California for those wishing to study for C.L.U. examinations.

## Start Okla. CLU Study Oct. 1

The 1953-54 C.L.U. classes at the University of Oklahoma, Norman, will begin Oct. 1. Dr. Donald R. Childress, associate professor of the business school, is the instructor.

## Sells, Leases Back, Home Office

Pioneer American of Houston has sold its 10-story home office building there to Toghill Realty Corp. of New York for a price in excess of \$1,500,000. Pioneer American has leased back part of the building and will continue to have its home office there.

The building was bought by Pioneer in 1941 from Southern States Life.



hospital oper-  
contract is pro-  
the scope of  
y the depart-  
tal to receive  
of a fair val-  
ment or serv-  
the complaint  
state median

oronto,  
al

f Toronto has  
a new for-

d series have  
addition of a  
ipating basis  
on. This plan  
policyowner  
continuing the  
ction for its  
\$5 per month  
(guaranteed  
r each \$1,000  
each \$1,000  
\$5,000.

former par-  
\$5,000 and  
is now avail-  
to \$9,999, and  
ts of \$10,000

tains a com-  
mall policies  
on a limited  
participating

ns have been  
vidend scale  
policies as of  
rest on divi-  
¼% per an-

ears

ne Nashville  
r 13 will be  
Life & Cas-  
ed in Octo-

Sept. 28

n. will hold  
28 at Okla-  
ce of Dallas,  
an Reserve

ttorney

Francisco  
c of the at-  
nd agent in  
t of a new  
gs of San

angeles

ter is spons-  
d winter at  
California  
for C.L.U.

y Oct. 1

ses at the  
orman, will  
Childress,  
e business

Office

ouston has  
ave building  
p. of New  
\$1,500,000.  
back part  
continue to

oy Pioneer  
es Life.

## Maccabees Promotions to Heuft, Jacobites, Collins

Maccabees is expanding its field department by adding John W. Heuft and Bernard Jacobites as field assistants to Robert O. Shepler, field director. In addition, Joseph F. Collins has been named chief underwriter succeeding Mr. Heuft.

Mr. Heuft, a veteran of the last war, has been with Maccabees since 1941. Also a veteran, Mr. Jacobites joined Maccabees in 1935 and has served in several home office departments, most recently as auditor.

Mr. Collins has been assistant manager of the mortgage loan department.



John W. Heuft



Bernard Jacobites

Joseph F. Collins

He started with Maccabees in 1937. He is an air force veteran.

Maccabees this year is marking its 75th anniversary.

## Great Southern Life Scholarships

Great Southern Life has established two scholarships to be awarded annually to graduates of high schools or preparatory schools. One will go to the child of an agent and the other to a child of an office employee.

The awards will entitle the recipi-

ents to receive \$1,000 each year for a four-year period, the money to be paid in equal monthly installments during the school months. Payments will cease if the student leaves school, or if the parent leaves the service of the company, with the exception of normal retirement, disability or death.

Awards will be based on accomplishment, and consideration will include all activities of a normal school life. Great-Southerners, with two awards each year, will always have eight children attending some college or university, with a total outlay of \$8,000 a year being contributed by the company.

## Insurance Growth Matches That of Nation: Lincoln

(CONTINUED FROM PAGE 5)  
zation, surgical operations and other forms of medical care.

Perhaps the most important development of the decade, Mr. Lincoln said, was the coming of age of life insurance as a rampart of national security. Sales were low, lapses were high, borrowing was heavy, and foreclosures rose rapidly. But during a period when thousands of businesses, including 5,000 banks, closed their doors, there were few failures among life insurance companies.

The fourth decade (1933-1943) was a period of depression, recovery and war. Government relief projects, and unemployment insurance and public assistance under federal social security legislation were among the measures undertaken to meet depression conditions. It is interesting to note, Mr. Lincoln added, that much of this federal legislation was based on life insurance ideas and experiments which had been developed and conducted over the years.

As a result of the extraordinary success of life insurance companies during the depression, recovery brought attacks from many quarters. The Institute of Life Insurance was formed to answer these attacks by education and explanation, and to tell the story of private life insurance.

In 1938, President Franklin D. Roosevelt asked for a study of "the tremendous investment funds controlled by our great insurance companies." The result was the Temporary National Economic Committee established by Congress, and its study of "big business" during 1939 and 1940. After its hearings were concluded, the committee chairman, Senator O'Mahoney of Wyoming, said that life insurance had "come through with flying colors."

The 1943-1953 period can scarcely be called history, Mr. Lincoln said. Partly as a result of the war's end and the subsequent inflation, growth has been spectacular and 1953 will see a total of about \$300 billion of life insurance in force in the United States.

"From this vantage point in history and on the 50th anniversary of your company," Mr. Lincoln told his audience, "you and all of us can feel proud to be members of the life insurance fraternity. . . . Our business has become a cornerstone for individual and family character by which a man, with the help of his life insurance agent, may build security and financial independence for himself and his family."

● *Manufacturers Life* has been licensed in Minnesota, bringing the number up to 15 states in which the company may operate.

● *Pioneer Mutual Life* of Fargo, N. D., has entered Colorado. It is now licensed in 13 states.

# The case of the BROKER who CONQUERED GOLF

We'd like to tell you that he cut his score from 137 to 73 and became the club champion, with a mantle loaded with trophies. Actually, this is his story:

What with club dues and caddie fees costing what they do, it was only natural that he needed more money. It was only natural, too, that he turned to Mutual Benefit Life as a nice, pleasant way of getting more money.

And when he found how readily it could be sold because of the many exclusive features, it was only natural that he gave up golf completely and spent the time he'd ordinarily be using in blasting out of sand traps in gathering in more of those nice commission checks.

Of course, it's up to you whether you give up golf completely. Lots of smart brokers keep right on playing golf and selling Mutual Benefit Life at the same time. And while it's questionable whether their scores will ever get any lower, there's no doubt about their incomes going a lot higher. The General Agent in your area can prove it to you, if you'll give him the chance.

## THE MUTUAL BENEFIT LIFE

INSURANCE COMPANY

Organized in 1845  
300 Broadway, Newark, New Jersey

## ACTUARY (Society Associate)

We have an excellent opportunity as Associate Actuary for a man around 30-35 who wants to improve his position. An ordinary life department needs you. The association has been established since 1913 and with life operations for 8 years, has 200 million in force. The man we want should be able to build an insurance policy and follow it through the insurance departments. Experience with annual statements desirable. State experience, background, salary requirements. All replies will be answered and kept confidential.

## BENEFIT ASSOCIATION OF RAILWAY EMPLOYEES

901 West Montrose Avenue

Chicago 13, Illinois

## MANAGEMENT CONSULTANTS.

## O'TOOLE ASSOCIATES Management Consultants To Insurance Companies

Established 1945  
P. O. Box 101 Queens Village, N. Y.  
Phone — Hollis 4-0942

## Service Guide

## Valuable Paper Wallets

One or a Thousand  
Write for Brochure  
J. M. NEWMAN  
3328 N. Henderson Dallas, Texas

## EDITORIAL COMMENT

### A Timely Amputation

We note, without regret, that the insurance "program" of federal trade commission is to be proportionately constricted along with other services of FTC as a consequence of a cut of about \$200,000 in the FTC payroll. What would be much more to the point would be the extirpation of the insurance program so-called from FTC. It amounts to some interest to start digging around and seeing what they can turn up. The place occupied by FTC in the insurance supervisory sphere is anomalous to say the least. They got into the picture in a kind of a back-handed way. They don't serve any useful, immediate purpose that we can see, but because they do have some

shadow of authority and interest in the insurance field, there is always the danger that in time to come they will serve as an ambush for some cunning bureaucratic foray in the insurance arena. If the federal government ever gets into the insurance supervisory realm, it should be in a direct way by action of Congress with a full discussion of the issues and not by some maneuver from a back door that Congress forgot to close. We think the insurance commissioners and leaders in the insurance business might very well at this stage exert their influence in favor of removing insurance from any vestige of jurisdiction of FTC.

### NALU Program Builders' Big Chance

While memories of the 1953 convention of the National Assn. of Life Underwriters are still vivid it might be well to look back over the program and see what modifications, if any, could be recommended for next year's meeting.

Obviously there will be one important change: This year's program was purposely designed to be different from the general pattern of N.A.L.U. programs. It brought in an impressive aggregation of highly placed personages from fields clear outside the life insurance business. The theme was "American Life Insurance and American Life" and Program Chairman Ralph Engelsman lined up his speaking talent with the full realization that this sort of program was a special diet that would not be appropriate for routine consumption each year.

Besides introducing a change in pace in N.A.L.U. programs, the unusual fare offered by Mr. Engelsman and his committee did this: It showed that a convention can be entirely successful without being to any large extent a glorified sales congress. There was no sales seminar. There were some excellent sales ideas in the Million Dollar Round Table hour, but that was only part of one morning.

Having learned that a convention doesn't need a lot of sales speeches nor even talks very closely related to life insurance at the general session, N.A.L.U. leaders and program framers might well ask themselves, Why stretch out a convention that is already jam-packed with activities that are really essential to conducting the affairs of the National association and its various

adjuncts?

The 1953 convention proved that providing the conventioners with a lot of life insurance speeches is not vital to the success of a convention program. Therefore, since the nature of the 1953 general sessions' program was such that there would be no thought of repeating it in 1954, why isn't next year the logical one for seeing how much a convention can be stripped down to essentials rather than trying to fill an already over-full week?

We've editorialized before on the fact that the N.A.L.U. conventions have become so filled up with what goes on before the first general convention session that the week was becoming unbearably overstuffed. We stress it again now because for the reasons just noted 1954 offers such a matchless opportunity to build a program on a functional basis, leaving out anything in the nature of window-dressing and going on the obviously correct assumption that the necessary activities of the week will be plentiful enough to keep all hands busily occupied if not completely exhausted.

N.A.L.U. annual conventions have become too imbued with the association's own folk-lore. Attempts to break away from the nine-course dinner motif in arranging programs give rise to an uneasy fear of being accused of being remiss in proper ancestor-worship.

What should be remembered, though, is that back in the days when there was some sense to having three general convention sessions the preliminary meetings were few and relatively un-

important. This year the convention started with a meeting of the executive committee Friday in advance of the trustees' meeting Saturday. Monday and Tuesday there were sessions of the national council and in the evenings the committee meetings. In addition there were the meetings, dinners, breakfasts, seminars, and what not of the auxiliary organizations of N.A.L.U.

What has happened is that the meetings of the national council and the various auxiliary groups have come to be such an important part of the convention that the so-called general convention sessions have lost much of their reason for existence. If the best features of the three "general sessions"

were lumped into one, that would certainly be plenty of general session fare.

Without being more specific, we think that most of those attending N.A.L.U. conventions in recent years will agree that there is just too much of a good thing.

We hope that having been jarred loose from the traditional pattern this year in the matter of type of program content, N.A.L.U. will next year take the logical and entirely feasible next step of cutting down on the quantity of the formal program. It's an opportunity that won't come again soon if it's muffed this time. Grab it while you can, say we.

## PERSONAL SIDE OF THE BUSINESS



William J. Edelman

time operated a general insurance agency.

**Louis M. Gregory**, Great Southern Life manager at Shreveport, La., has been named Louisiana chairman for the 1954 March of Dimes campaign.

**Hugh O. Maclellan**, vice-president of Provident Life & Accident, will serve as general chairman of the 1953 Community Chest united defense drive in Chattanooga and Hamilton county.

**Kenneth L. Miller**, vice-president of Union Life of Chicago, made a hole-in-one on the Hot Springs, Ark., Country Club No. 1 course. Mr. Miller was attending a meeting there of Fidelity Reserve Life of Little Rock, which is headed by his father, Joseph J. Miller.

**Edward D. Mitchell**, chairman of Beneficial Standard Life, will be honored at a testimonial dinner Oct. 4, given by American Palestine Trading Corp. in recognition of his "help in refuge for the world's needy and displaced persons, including major aid in the founding and development of the state of Israel".

**Dwight L. Clarke**, board member of Occidental Life of California and chairman of its advisory council, has been elected to the board of the Bishop Oil company, San Francisco. He assumed management of Occidental Life in 1936 as executive vice-president and

was elected to the board at that time. He was president of the company from 1944 until he retired from that position in 1950. Mr. Clarke was president of American Life Convention in 1947 and an executive committee member for many years.

**A. J. Wheeler**, resident manager at Chicago of THE NATIONAL UNDERWRITER, and Mrs. Wheeler are celebrating the birth Sept. 5 of their third child, Jerianne, a 7-pound girl. There are now two girls and a boy in the Wheeler family.

**Orville F. Grahame**, vice-president and general counsel of Paul Revere Life, has been named by Gov. Herter of Massachusetts to his commission for the study of the state's retirement laws. Mr. Grahame also was among those whose art was displayed at the first Lawyers' Art Show at Boston. The show was presented by the Boston Bar Assn. during the meeting there of American Bar Assn.

## DEATHS

**GUY L. FRONK**, 42, assistant secretary and purchasing agent of Ohio National Life, died suddenly after a short illness. Mr. Fronk joined the company in 1933 as purchasing clerk. After army air force service in the last war he returned to Ohio National as purchasing agent and in 1950 was made an officer of the company. He was promoted to assistant secretary in 1950. He was an associate of Life Office Management Assn.



Guy L. Fronk

**Howard J. Burridge**, President. **Louis H. Martin**, Vice-President. **Joseph H. Head**, Secretary. **John Z. Herschede**, Treasurer. 420 E. Fourth St., Cincinnati 2, Ohio.

### The NATIONAL UNDERWRITER

—LIFE INSURANCE EDITION

PUBLICATION OFFICE:

175 W. Jackson Blvd., Chicago 4, Ill.

CIRCULATION OFFICE:

420 E. Fourth St., Cincinnati 2, Ohio

**ATLANTA 3, GA.**—432 Hurt Bldg., Tel. Walnut 9801. O. Robert Jones, Southeastern Manager.

**BOSTON 11, MASS.**—207 Essex St., Rm. 421, Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

**CHICAGO 4, ILL.**—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Manager.

Editor: Robert B. Mitchell.

Associate Editors: John C. Burridge, Charles

C. Clarke and F. A. Post.

Assistant Editors: Ellsworth A. Cordesman

William H. Faltyssek and Warren Kayes.

**CINCINNATI 2, OHIO**—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor; Roy Rosenquist, Statistician.

**DALLAS 1, TEXAS**—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadis, Southwestern Manager.

**DETROIT 26, MICH.**—607 Lafayette Bldg., Tel. Woodward 1-2344. A. J. Edwards, Resident Manager.

Executive Editor: Levering Cartwright.

Advertising Manager: Raymond J. O'Brien.

Teletype CG-654



**KANSAS CITY 6, MO.**—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

**MINNEAPOLIS 2, MINN.**—558 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

**NEW YORK 38, N. Y.**—99 John Street, Room 1103, Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

**OMAHA 2, NEBR.**—610 Keeline Bldg., Tel. Atlantic 3416. Clarence W. Hammel, Resident Manager.

**PHILADELPHIA 9, PA.**—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

**PITTSBURGH 22, PA.**—503 Columbia Bldg., Tel. Court 1-2494. Bernard J. Gold, Resident Manager.

**SAN FRANCISCO 4, CAL.**—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.



**ROBERT REID MAC KENZIE**, 51, executive vice-president of American Service Bureau, the inspection affiliate of American Life Convention, Chicago, died at Henrotin hospital there following a stroke at his home on the same day. He had sustained a mild stroke about a year ago but had apparently recovered. Mr. MacKenzie had completed 30 years with the bureau this May. He went with the bureau as an inspector in 1923, becoming Chicago resident manager in 1927. In 1943 he went to the home office as vice-president and was named executive vice-president January of this year. He was a member of Chicago Assn. of Life Underwriters, Chicago Claim Assn. and the International association, and Chicago A. & H. Assn. A son, John K., is with the Continental Assurance home office.

**OLIE J. BROWN**, 73, who retired three years ago as Mutual Life's Colorado Springs, Colo., manager, died there.

**GEORGE F. CRUM**, 59, Crown Life manager at Toronto, died of a heart attack while playing golf at St. Andrews, N. B., while attending a company convention. Mr. Crum, who joined Crown Life in 1928, was a past president of Canada Life Underwriters Assn.

**LEWIS M. TERRY**, insurance commissioner of Utah, died unexpectedly. He had held office there for a number of years and prior to that was with American Surety.

**FRANK SIRKIN**, Prudential agent at Brooklyn for two years who died some time ago, had been with the company for more than 32 years. At various times he was among the company's top 10 producers in ordinary business. Before going to Brooklyn, Mr. Sirkkin was at Waterbury, Conn.

**GILBERT ROYCRAFT**, 57, for 34 years an agent for New York Life, Northwestern Mutual and Banek's Life of Iowa at Chippewa Falls, Wis., died after a three-month illness.

**MRS. CHARLES SMERHA**, 77, wife of the former Nebraska commissioner, died at Lincoln.

## FTC Insurance Program Is Being Reduced

WASHINGTON—Insurance activities of the federal trade commission will be affected, also staff personnel which handle such activities, as a result of a cut of about \$200,000 in the commission's payroll, which will involve firing or reduction of some 35 or 40 employees.

Among other things, Commission Chairman Howrey has issued a directive to consolidate the work of the insurance and trade mark and industry cooperation divisions of its general counsel's office into a new division of special statutory assignments.

The directive abolishes the positions of assistant general counsel in charge of trademarks and insurance and in charge of industry cooperation.

The order then creates a new position of assistant general counsel in charge of special statutory assignments, in the general counsel's office. This new division, the directive provides, will perform all the functions heretofore performed by the two abolished divisions.

Among FTC staff members principally affected by the directive and reduction in force order are Edward W. Thomerson, who has been serving in recent years as assistant general counsel heading the insurance and trademarks division, and Henry Miller, who has been assistant general counsel heading the industry cooperation division.

Mr. Thomerson has had general charge of the handling of insurance matters in the commission's work. Mr. Miller has had charge of trade practice conference work of the commission. This has included the holding of trade practice conferences and promulgation of trade practice conference rules applying to the mail order insurance industry and the so-called "auto pack", including requirements regarding insurance in connection with the financing of cars sold on the installment plan.

One of these officials will at least have to be reduced in grade and/or

pay, if not fired, according to high FTC sources. In the government service an employee with priority rights, seniority or preference (such as veterans) may "bump" an employee having lower rank or lesser rights to still lower status rather than taking a reduction himself. Thomerson is a veteran and as such has certain advantages over non-veterans.

To this writing it could not be learned what the final status of Messrs. Thomerson and Miller will be. William J. Thomas, a commission attorney who has handled a number of insurance laws, is expected to be retained on the job.

The insurance program, Howrey said, "if impaired, will only have a pro rata impairment."

## New Edition of the Iowa Insurance Directory Ready

A new, up-to-date Underwriters' Handbook of Iowa has just been published by The National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, solicitors, groups and other organizations affiliated with insurance throughout the state.

Premiums and losses by lines in Iowa for all fire and casualty companies and life insurance paid for and in force for life companies, are also presented in a special statistical section. Copies may be obtained from The National Underwriter Company, at 420 East Fourth street, Cincinnati 2, O., price \$12 each.

## Set Conference for Group Field Men of State Mutual

Group field personnel of State Mutual Life will attend a "sale-makers" conference at North Falmouth, Mass., Sept. 14-16.

Sessions covering all phases of group selling and servicing will be conducted under the direction of Alan R. Willson, group secretary. One of the highlights will be an address by H. Ladd Plumley, president.

Among the subjects on the program assigned to discussion groups are: Renewal underwriting, developing and maintaining a group office territory, underwriting new term and casualty business, installation and administration of self administered plans, money purchase, paid-up insurance and group creditor insurance.

## MEN of VIRGINIA

### Pathfinding



M. J. Maury

Called the "Pathfinder of the Seas," Maury wrote the first classic book on oceanography. Naval officer, teacher, patriot and adventurer, he led men to new greatness through his knowledge of the seas.

More than 82 years ago the founders of the Life of Virginia brought into being the first life insurance company in the entire South.

The pathfinding tradition of these founders continues today as the men of the Life of Virginia set new records of growth for this 1½ billion dollar company.

## THE LIFE INSURANCE COMPANY of VIRGINIA



HOME OFFICE - Richmond, Va.

## CENTRAL STANDARD LIFE INSURANCE COMPANY

Founded 1905 Chicago 6, Illinois

### Important Notice

The four distinct programs included in our Direct Mail Prospecting Service guarantee live leads . . . This field-tested service offers more than a dozen profitable solutions to any prospecting problem. Your Direct Mail kit will be mailed on request.

the neighborly company



Mr. Alert Underwriter, Everytown, U. S. A.

## Army, Navy, Air Force Sales Rules Are Given

(CONTINUED FROM PAGE 1)

notarized letter, signed by an authorized official of the company, indicating that the agent is authorized to solicit for that company, and that the company assumes full responsibility for the actions of its agents.

d. No solicitation of personnel will be permitted during enlistment or induction processing, while undergoing basic training, or at ports of embarkation.

e. No formations will be required or permitted to facilitate the sale of commercial life insurance. Solicitation will be on an individual basis, prefer-

ably by appointment only, and in such a manner as not to interfere with any military duty.

f. No financial benefit or other valuable consideration will be offered (or accepted by) military or civilian personnel by representatives of commercial life insurance companies to facilitate life insurance transactions. This does not include advertising material, such as pens, pencils, wallets, notebooks, etc., normally with a value of less than \$1.

g. Under no circumstances will commercial life insurance agents be utilized for talks on insurance or government benefits.

h. The official use of allotment authorization forms reproduced by a non-federal agency or any official form



New officers of the Life Management Assn. of Hawaii shown from left are John O'Brien, Cullen, New York Life, executive committee member; Ralph M. Nichols, Manufacturers Life, president; Walter T. Takiguchi, Pacific National Life, secretary; and Robert L. Teall, Travelers, vice-president.

## Announcing

### another attractive addition to GUARDIAN'S quality line of LIFE POLICIES

#### The Junior Guardian

Issue Ages 0-14

Premiums payable to age 65

Each unit of \$1,000 increases to \$5,000 at age 21—with no increase in premium.

Get full information from  
your nearest GUARDIAN office.



#### LIFE-ACCIDENT AND HEALTH

**The GUARDIAN Life Insurance Company OF AMERICA**

FIFTY UNION SQUARE NEW YORK 3, N. Y.

OVER A BILLION DOLLARS INSURANCE IN FORCE

bearing an unauthorized overprint is prohibited. Personnel officers and disbursing officers will not certify any such forms. All authorizations granted by the adjutant general for reproduction or overprinting have been withdrawn.

i. No member of the armed forces on active duty or Department of the Army civilian employee will represent any commercial insurance company or person for the solicitation or sale of insurance to military personnel on any installation with or without compensation.

j. Those commanders concerned will regulate solicitation within their commands, avoiding discriminatory practices. Commanders and insurance officers are urged to seek guidance concerning the types of policies which should be authorized for sale on their installations, and other insurance matters, by utilizing the services of local better business bureaus, the chambers of commerce, local associations of life insurance agents and companies, state insurance commissions, and other commercial organizations. Extreme caution is to be exercised when granting permission for a policy to be sold on an installation, so as not to convey the idea that such policy bears an official approval.

k. An officer familiar with insurance matters will discuss commercial policies with enlisted military personnel prior to their signing allotments initiated to pay premiums thereon. Discussions will include the over-all financial obligations of the enlisted military personnel, a brief review of government benefits to survivors of military personnel, as well as the coverage of the policies in question.

l. The existence of exclusion or restrictive clauses or provisions of the following nature will be plainly indi-

cated on the face of the policy: war clauses, geographic limitations, and aviation exclusion provisions. This may be accomplished by the means of a rubber stamp.

m. All companies selling participating policies must clearly indicate on all literature referring to dividends that the dividends are estimates and not guaranteed.

n. Installation commanders will require that life insurance agents leave office information regarding the policy applied for by indicating: (1) name and address of company; (2) name and address of agent; (3) type of policy; (4) amount of life insurance; (5) full name of person insured; (6) premium; (7) death benefit, guaranteed cash value, extended insurance, pure endowment (if any) at the end of the first to fifth years, inclusive, and the 10th, 15th and 20th years; (8) list of all exclusion provisions which might be incorporated in the policy, such as war, aviation, etc.

4. Procedures—The procedures below will be followed in addition to those prescribed by installation commanders:

a. All class E allotments for commercial life insurance, initiated by enlisted personnel, will be completed prior to signature and processed in accordance with SR 35-1900-1. Normally, the amount of an enlisted member's pay allotted for insurance should not exceed 10% of his total pay.

b. Premium payments on annuity policies (no life insurance involved) and on insurance policies on the life (lives) of the member's family are not authorized to be made by allotment from the service member's pay.

In every case where army enlisted military personnel submit allotment forms in favor of commercial life insurance companies, they will be oriented concerning such purchase by being required to read and sign a statement, substantially as follows, which will become a part of the member's official 201 file:

"I fully understand that the Department of the Army does not favor, sponsor, or endorse any individual commercial life insurance company. I specifically understand that the filing of this allotment is merely a convenience afforded army personnel, and does not constitute an approval by the army of either the policy purchased or the company concerned. I further understand that the purchase of a life insurance contract which involves the use of the allotment system for payment of premiums on such contract is definitely a personal transaction between myself and the insurance company.

"I have been advised that there are certain benefits possibly available to survivors of service personnel, such as 'free' indemnity (a form of insurance),

## SINGLE PREMIUM IMMEDIATE ANNUITIES?

CHECK OUR FAVOURABLE RATES AND WIDE RANGE OF PLANS.

BRANCH  
OFFICES

• Baltimore • Chicago • Cincinnati • Cleveland • Detroit • Hartford  
• Honolulu • Lansing • Los Angeles • Newark • Philadelphia  
• Pittsburgh • Portland • Saginaw • San Francisco • Seattle

Also licensed in the Dist. of Columbia, Arizona, Delaware, Idaho and Virginia.

YOUR OWN COMPANY FIRST . . . THEN

# THE MANUFACTURERS LIFE

1903 • 50 YEARS IN THE UNITED STATES • 1953



new officers...  
e Management...  
n. of Ham...  
John O'Ne...  
en, New Y...  
e, executi...  
mittee...  
h M. Nich...  
nufacture...  
e, presiden...  
er T. Tak...  
Pacific Na...  
life, secre...  
Robert L...  
11, Travel...  
-president.

e policy: we...  
itations, and...  
ions. This may...  
e means of a...  
ng particip...  
y indicate...  
to dividend...  
estimates and

nders will re...  
agents leave...  
ne unit insur...  
regarding the...  
dicating: (1)...  
company; (2)...  
nt; (3) type of...  
life insurance...  
insured; (4)...  
enefit, guar...  
ed insurance...  
) at the end...  
ers, inclusive...  
years; (8)...  
visions which...  
n the policy...  
c.

cedures be...  
addition to...  
allation com...  
nts for com...  
tiated by en...  
ompleted pri...  
-1. Normally...  
ed member's...  
e should not...  
y.

on annuity...  
ce involved)...  
on the life...  
family are...  
de by allot...  
member's pay...  
my enlisted...  
it allotment...  
cial life in...  
will be ori...  
chase by be...  
sign a state...  
lows, which...  
e member's

at the De...  
s not favor...  
individual...  
company. I...  
at the filin...  
a conveni...  
onnel, and...  
oval by the...  
y purchased...  
d. I further...  
ase of a life...  
volves the...  
m for pay...  
contract is...  
saction be...  
-rance com-

d. In addition to any notification...  
submitted in compliance with the...  
above subparagraphs, it is desired that...  
report, Insurance Solicitation Abuses...  
(Reports Control Symbol CSGPA-356),...  
be submitted every second month, set...  
ting forth any other instances which...  
the installation commander determines...  
be abuses concerning commercial...  
the insurance solicitation that have...  
come to his attention during the two...  
previous calendar months. This report...  
will be dispatched through channels to...  
the adjutant general not later than 5...  
September 1953 and will include as...  
much information as is readily avail...  
able for the months of July and Au-

## Plan Three Stops for New York Sales Caravan

New York State Assn. of Life Underwriters is holding its fifth sales caravan — "The Apple Knockers" — starting Sept. 23. The caravan will stop at Bronxville, Syracuse and Buffalo.

For the first time an A. & H. speaker will be in the group, in the person of Carl Ernst, North American L. & C., St. Paul, past president of International Assn. of A. & H.

Theme of the caravan is "It's the Big Pay-Off," with Fulton W. Jenkins, superintendent of agencies for Metropolitan Life, opening with a talk on "What's My Line." James Elton Bragg, Guardian Life, and Harold W. Baird, Northwestern Mutual, both of New York City, will complete the sessions with a programming talk and a simplified business insurance proposal.

Moderator this year is Charles S. Douglas, Binghamton. The caravan will travel by airplane in order to make the connections on a close time schedule.

gust, 1953. It is imperative that due dates for submission of this report be met, inasmuch as the Department of the Army is directed to submit a consolidated report to the office, Secretary of Defense not later than the 25th day of the month following the report period.

AG 019.1 (23 Jul 53)GI  
By order of the Secretary of the Army:

Official: J. Lawton Collins.  
Wm. E. Bergin Chief of Staff, United States Army  
Major General, USA  
The Adjutant General

### NAVY REGULATIONS

1. Purpose—The purpose of this instruction is to promulgate the conditions under which commercial insurance companies and their agents may be allowed to solicit commercial life insurance aboard military installations.

2. General—Reference (a) sets forth the conditions prescribed by the Department of Defense for authorizing solicitation of commercial life insurance on military installations. Reports from many sources indicate that reference (a), and the implementation thereof, has not adequately protected military personnel in the matter of solicitation of commercial life insurance on military installations. As a



"Wish I had more hair—I'm not in the chair long enough to get that barber sold on more insurance!"

## Bankerslifemen Hate to Miss Any Sales Opportunity

No matter how brief the exposure, Bankerslifemen hate to fail to use it as a sales opportunity.

Right from the start, Bankerslifemen are taught to watch for opportunity. They believe so thoroughly in the product they are offering that they are sure this represents opportunity not only for them, but also for their prospects. Such men are bound to find plenty of opportunities.

This alertness to sales opportunity is just one of the characteristics that make Bankerslifemen the kind of life underwriters you like to know as friends, fellow workers or competitors.

**BANKERS Life COMPANY**  
DES MOINES, IOWA

**WELCOME**

**TO THE**

**NATIONAL FRATERNAL CONGRESS**

**THE PRAETORIANS**

**LIFE INSURANCE**

**1898**

**DALLAS, TEXAS**

**1953**

**"55 YEARS OF SERVICE"**

consequence, the supervision of the solicitation of commercial life insurance on military installations has been severely criticized. The primary purpose of reference (b) is to strengthen and tighten up the administration of the method of supervising the solicitation of commercial life insurance on military installations. If adequate protection for service personnel is not obtained, the Department of Defense will further consider the banning of the solicitation of commercial life insurance on military installations.

3. Minimum requirements for life insurance companies and their agents—The minimum requirements for life insurance policies offered by insurance companies and their agents soliciting military service personnel on military installations will be as follows:

a. Life insurance policies offered to military service personnel on military installations shall have reserves at least equal to those produced by the commissioners reserve valuation method as defined in the standard valuation law when calculated according to the commissioners 1941 standard ordinary mortality table, with interest at a rate not in excess of 3½% per annum. Such policies must provide cash and non-forfeiture values at least equal to the minimum values required by the standard nonforfeiture law as approved by the National Assn. of Insurance Commissioners at its December, 1942, meeting, and, further, must comply with the interpretations of the "working committee on standard nonforfeiture and valuation laws to life insurance committee, National Assn. of Insurance Commissioners," commonly known as the Hooker committee. This information may be obtained from the state insurance commissioners from the state

in which the military installation is located.

b. The existence of exclusion or restrictive clauses or provisions of the following will be plainly indicated on the face of the policy: war clauses; geographic limitations; aviation exclusion provisions. This may be accomplished by the means of a rubber stamp.

c. All companies selling participating policies must clearly indicate on all literature referring to dividends that the dividends are estimated and not guaranteed.

d. Life insurance agents must leave with the applicant and the unit insurance officer information regarding the policy applied for, indicating: (1) Name and address of company; (2) name and address of agent; (3) type of policy; (4) face amount of policy; (5) premium; (6) death benefit, guaranteed cash value, extended insurance, pure endowment (if any) at the end of the first to fifth years, inclusive, and the 10th, 15th, and 20th years; (7) list of all exclusion provisions which might be incorporated in the policy, such as war clauses, aviation exclusion provisions, etc.

4. Minimum requirements for commanding officers—The wide variety of conditions which exist with respect to concurrent jurisdiction over various installations by federal and state governments, and the diverse regulatory requirements for commercial insurance companies, require that regulations governing solicitation for insurance contracts be made locally. Commanding officers should take full advantage of the expert knowledge and experience of the local state insurance commissioners. Similarly, guidance should be sought from reliable insurance ex-

## Okla. Court Order Favors Insurer in Policy Squabble

OKLAHOMA CITY—A restraining order was issued here by District Judge Hunt against Commissioner Dickey preventing him from rejecting certain Universal Life & Accident policies.

Mr. Dickey had charged that the company is intending to sell legal reserve policies without notifying the public of mutual benefit laws applicable to its operations.

Unless Mr. Dickey protests the restraining order, a hearing will be held Sept. 28 on Universal L. & A's petition for a temporary injunction.

perts in their vicinity, as well as local business bureaus. Such advice should be sought from a local level rather than a departmental or national level. However, the minimum control which will be exercised by commanding officers over solicitation by life insurance agents is as follows:

a. Adhere strictly to the provisions of reference (c).

b. Assure that paragraph 3 of this instruction is complied with.

c. Commanders of installations over which exclusive jurisdiction has been ceded to the United States will permit solicitation of commercial life insurance on their installations if both the company and its agents are licensed in any state or the District of Columbia. However, in those cases where the state has retained exclusive or concurrent jurisdiction over the installation, the company and its agents must qualify under the laws of that state prior to soliciting business on the installation.

d. There will be no solicitation of recruits, basic trainees, or personnel assigned to replacement drafts.

e. There will be no solicitation of personnel being processed at ports of embarkation except by written appointment.

f. There will be no solicitation before a "captive audience." Agents will not be permitted to address or attend meetings, classes, or mass formations, or any other assembly of navy or marine corps personnel. It is immaterial that such assembly is for other purposes and the agent's appearance is incidental.

g. There will be no solicitation which will interfere with military duty.

h. No emoluments will be offered to or accepted by military or civilian personnel employed by a military department to facilitate transactions.

i. Commanding officers will regulate solicitation within their commands, avoiding discriminatory practices.

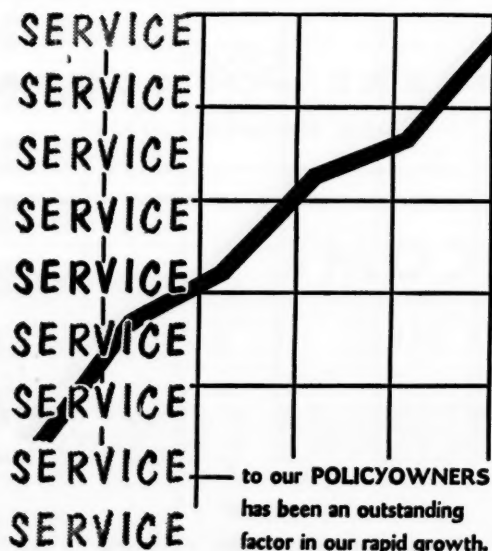
j. The official use of allotment authorization forms reproduced by a non-federal agency or any official form bearing an unauthorized overprint is prohibited. Personnel officers and disbursing officers will not certify any such forms.

k. No member of the armed forces on active duty will represent any commercial insurance company or person for the solicitation or sale of insurance on any installation with or without compensation.

l. Commanding officers are advised of the importance of their responsibilities in connection with the solicitation of commercial life insurance on military installations and will actively supervise the activities of their insurance officers.

m. Commanding officers will require all companies authorized to offer life insurance to military personnel on

(CONTINUED ON PAGE 19)



LIBERTY NATIONAL LIFE INSURANCE COMPANY  
BIRMINGHAM, ALA.  
ORGANIZED IN 1900  
(Member of Southern Insurance Company)



## POLICYHOLDER'S PROTECTION

For more than twenty-six years of service to its policyholders, The Union Labor Life has continued to justify the great trust placed in us by our founders and those who have placed their insurance protection in our hands.

As the guardian of the hard-earned savings of our insureds, it is our constant purpose to secure all against the uncertainties of life and good health by providing adequate insurance protection at the lowest possible cost consistent with safety and the requirements of insurance law.

Security and Service for all

**THE UNION LABOR**  
**Life Insurance Company**

New York City 21

Matthew Woll, President



## A COMBINATION COMPANY

Boston Mutual has a sound combination of Ordinary and Industrial policies to fit the needs of every member of the family.

JAY R. BENTON, President



# Sales Ideas That Work

## Zeigen Shows How Knowledge of Estate, Tax Laws Leads to Big Life Insurance Sales

Those attending the recent C.L.U. institute at the University of Connecticut found a great deal of value in the three lectures given by Samuel L. Zeigen on gifts, powers of appointment and problems of estate administration. Mr. Zeigen, who is general agent of Provident Mutual in New York City, a C.L.U., and a member of the New York bar, emphasized the importance of developing a personal philosophy in order to be able to utilize a knowledge of the law to sell life insurance. He pointed out that the tax saving, in itself, is not paramount but that the client's philosophy of distribution must always come first.

Reasons for understanding the law are not to permit the agent to practice law, which of course would be illegal, but rather to enable him to understand the client's problems, to make the client think, to shake the client out of his complacency, and finally to give the agent the courage of his convictions.

It is important, Mr. Zeigen emphasized, to remember that the estate owner does not always know that he has a problem and quite often the difference between success and failure in estate planning is the agent's ability to recognize a problem.

In his lecture on the administration of decedents' estates, Mr. Zeigen described the various schedules in the estate tax form 706, with particular emphasis on the importance of the valuation of real estate and stock in close corporations. He stressed the importance of supporting data and the use of buy-and-sell agreements in the valuation of stock in close corporations.

Mr. Zeigen said that the dangers of jointly held property, whether such property is in the form of real-estate, a savings account, or what not, are little understood by life agents. Where there is joint ownership, the full value of the property is taxed in the estate of the first owner to die, unless the survivor can prove that he or she paid part of the purchase price.

Joint ownership has an important bearing on the income tax base to the surviving joint owner. For example, a man and his wife own their home jointly. At the time of purchase the house was worth \$10,000 but when the husband dies it is worth \$30,000. If the wife has to sell because of a need for cash she would have to pay a capital gains tax on the \$20,000 appreciation. On the other hand, if the house were in the husband's name only and passed through his estate the income tax base would be the stepped-up date-of-death valuation (\$30,000). Thus, when the widow sold the house there would be no capital gains tax on the \$20,000 appreciation.

Mr. Zeigen gave several examples of the use of charitable gifts in the decedent's estate. He recalled that when Henry Ford died he left the voting stock in his company to his family and the non-voting stock to the Ford Foundation. This arrangement gave the family control and at the same time prevented the destruction of the Ford empire through high estate taxes. For the very wealthy this is about the only way to meet the problem, said Mr. Zeigen.

Coming to the item of life insurance in the estate tax return, Mr. Zeigen said it should be noted that in addition to the insurance shown on the return as taxable, complete information must also be given on life insurance owned by the decedent which the executor claims is not taxable. A lot of arguments with the internal revenue bureau have come up over this.

Even though the executor contends that certain policies are not taxable on account of being paid for by someone else, such as the wife, the revenue bureau will want to know where the money came from and if it came from the insured, either directly or indirectly, the insurance will be taxed in his estate.

Another important schedule in the estate tax return is that covering miscellaneous property, including any interest in a partnership or unincorporated business. The revenue bureau's instructions say that in addition to balance sheets and profit-and-loss statements for five years before death, good will must be accounted for. A lot of people, said Mr. Zeigen, hold that if the business is a sole proprietorship there is no good will problem but this is not true if the business is to be continued and not liquidated.

In schedule F of the estate tax return there must be listed the cash values of life insurance owned by the decedent on the lives of others. It is important that the estate owner make proper arrangements in his will if he is paying premiums on life insurance on the life of someone else. There should be provision in the wife's will to prevent the policies from reverting to her husband, the insured. For example, his wife might have a will leaving everything to him, including the policy.

Instead, the wife should leave the policy to the children. If the children are minors, a trust should be created with specific authority to the trustee to retain the policy and pay premiums on it out of principal or income. That little point has caused more trouble than anyone could imagine, said Mr. Zeigen.

In his own agency, Mr. Zeigen has set up a standard procedure that calls for giving a letter with every policy bought by a third person urging that proper disposition be made of the policy in the event the owner should die before the insured. It also suggests to attorneys that they insert a provision in every will and trust agreement they prepare authorizing the trustee not

only to keep the present policies but also to buy new ones. That little clause, said Mr. Zeigen, recently opened the way to a \$100,000 case.

Such a trust should not be created by the person to be insured. On the other hand, if someone else creates the trust, for example the wife, for the benefit of the children, and the trustee has the right to buy life insurance, then the trustee can insure the husband for the benefit of the trust and the proceeds would be received free of estate tax. When the husband dies, each child gets the proceeds free of estate tax.

The estate tax return also lists transfers made during the decedent's life as gifts. What the internal revenue bureau is looking for is to see, first, if the gift has been reported, second, if

it exceeds the exclusions and, third, if it was made in contemplation of death, the latter being if it was made within three years prior to death, which might make it taxable in the donor's estate.

Mr. Zeigen contrasted the present law with that in force prior to 1948 with respect to the death of a surviving spouse within five years of the death of the first spouse to die. Prior to 1948 if property were left outright to a widow and she died within five years it would not be taxed in her estate. Since 1948, when the marital deduction law went into effect, this has not been the case. However, it is still true as respects relationships other than husband and wife, for example, father and child.

Mr. Zeigen said it is important in order to get credit for property previously taxed to remember that property



## THIS MAN IS IN THE DARK

... because he doesn't know that selling Union Mutual's Non-cancellable Guaranteed Renewable Disability Income Protection means extra "MONEY IN HIS POCKET" ... nor does the poor lad know that this protection is considered the best sickness and accident coverage on the market today by leading life underwriters. But most important are the *extra plus values* with a Union Mutual Non-Can ... for example ...

**If total disability lasts 90 days or more, all premiums falling due from date of disability are waived ... Liberal interpretation of the term "Total Disability" ... Partial disability benefits for sickness and accident following total disability ... Number of claims unlimited and no average earnings clause.**

Last but by no means least, a merchandising plan second to none, including sales talk, direct mail, and local advertising.

*Plus income from Plus sales with Plus values!*

# UNION MUTUAL

LIFE INSURANCE COMPANY \* Home Office  
Portland, Maine \* Rolland E. Irish, President \*  
Kenneth L. Anderson, Vice Pres. & Mgr. of Agencies



must be identifiable as the same property on which the tax has been paid. For example, a father dies in August, 1953, leaving property to his son. Two years later the son dies. The same property will not be taxed again in the son's estate but it must be proved that

it is the same property and that a tax was paid on it.

Another schedule in the estate tax blank lists deductions for executors' fees, attorneys' fees, funeral expenses, and the like. Then there is a space for deductions for charitable bequests made by will, subject to the limitations of state laws.

After making an estimate of the total gross estate and subtracting the allowable deductions the amount of taxes due is calculated.

Mr. Zeigen mentioned the tremendous rise in estate taxes that has occurred since the 1926 law was enacted. For example, a \$249,936.16 net taxable estate after deductions would have been liable for a tax of only \$2,788.08 under the 1926 law against which a credit could be taken for state inheritance taxes not to exceed 80% of the federal tax. This would cut the federal tax to \$557.63, assuming an 80% credit, for in many states the inheritance tax is made equal to the federal exemption.

But under the present law in addition to this 1926 figure there would be on the estate in question a tax of \$42,792.77, making a total tax of \$43,350.40 against \$577.63 under the 1926 law.

If the estate qualifies for the marital deduction the tax would be cut to \$9,705.30 or a current saving of \$33,645.10.

However, Mr. Zeigen pointed out that property that qualifies for the marital deduction will become taxable in the wife's estate on her death, assuming she has not consumed the property during her lifetime.

Mr. Zeigen stressed the importance of the executor or administrator's personal liability. If he should make payment of legacies before paying debts and taxes he could be held personally liable for their payment. For this reason, acceptance of an executorship or trusteeship should not be taken lightly. The executor should always seek legal counsel before taking any steps whatever.

An important question is this: Is the

executor entitled to retain securities he finds in the estate of the decedent? The answer will depend on the provisions of the will, if there is a will, and also whether there are minors involved. The results will differ in different states. Suppose an executor finds in the estate stock in a close corporation. In most states, if the will is silent, he must sell it, particularly if there are minors. But if the will says he can hold the stock he may do so even if there are minors.

Emphasizing the great danger of an executor or an administrator carrying on a business except with specific authority from the decedent's will, Mr. Zeigen said that executors can be held accountable for any losses that result, even many years after the decedent's death and despite the fact that the heirs have accepted gains in the interim. Many cases are on record that have upheld the heirs in such litigation, some where there were even court orders authorizing the continuation of the business. These orders have no validity unless the state has a statute authorizing such continuance on the basis of a court order.

Mr. Zeigen wound up his lecture by saying that the points he had discussed show graphically the value of life insurance, since it can really be called "an incontestable will."

"Therefore the more we understand the hazards involved with general estate assets, the stronger must be our faith in the utility of life insurance as the best solution for the financial problems, not only of the average man but of every man," he said.

Discussing the making of gifts, Mr. Zeigen said it is a very important part of estate planning. Often this subject comes up first during the discussion of the will, because it can affect the bequests made by the testator. Gifts can provide relief both from income taxes and estate taxes when properly arranged. However, he pointed out that it is important for the person making the gifts to understand that the gifts

must be irrevocable. Hence, serious thought must be given before a gift is made.

Some basic points to understand in the making of gifts are these: The gift tax rate is 75% of the estate tax rate; the property given away is taken out of the top estate tax bracket and placed in the lowest gift tax bracket. In computing the estate tax the tax itself is part of the estate. However, the gift tax is paid only on the amount of the gift and not on the gift tax. There is a saving in administration expenses and the estate is further reduced by payment of the gift tax.

Mr. Zeigen said that one important point not commonly known is that if the donor does not pay the tax there is a lien for the tax against the donee for 10 years and that all of the donee's property is liable for the tax except property sold to a buyer in good faith.

Discussing charitable gifts, Mr. Zeigen said that if, for example, a person has securities that have increased in value and he sells them he has to pay a capital gains tax. On the other hand, if he gives them to charity, he can deduct up to 20% of his adjusted gross income based upon the market value of the securities. Any excess over 20% is not deductible in the current year but can be given to the charity free of gift tax. Obviously the donor must consider the loss of income from the securities.

Life insurance, he said, can be used as charitable gifts by naming the charity as irrevocable beneficiary. If there is a private foundation, it can be used to insure various people who are interested in the charity.

If stock in a close corporation is to be used for gifts, it is important to retain more than 35% so that it can be used to raise cash for estate tax purposes under section 115(g)(3) of the internal revenue code. The fact that the corporation can insure the stockholder for this purpose should not be overlooked.

Mr. Zeigen also discussed powers of appointment at a considerable length.

### Writes \$500,000 Policy

National Life of Vermont has placed in force its first policy for \$500,000 on one life. The company also recently issued insurance on two other lives where the total in force in each case was brought up to \$500,000. Harold C. Rose of New York City, who specializes in larger policies, arranged the insurance for two of the cases through the John Kellam agency of New York and New Canaan. In both cases the investment type of insurance was purchased by a member of a financial firm on a transfer of capital basis.

### Home Life Sets Group Record

For the first eight months of 1953, Home Life of New York set a new record for the production of group insurance, 117% of the total for all of last year.

### C.I.T. of T. Remodels Building

The remodeling of the two-story office building of Commercial Investment Trust of Texas at 511 West Alabama street, Houston, has been completed. C.I.T. of T. owns and runs Commercial Security Life, Century Lloyds, and Ben High & Co., insurance. The names of the four companies are boldly outlined on the face of the building in cut-out maroon letters against a pale green background.

• General American Life has been licensed in Florida to write life, group and A. & H. The company is now licensed in 22 states and territories.

## Agents!

## Do You Want--

- ✓ Large Commissions
- ✓ Steady Renewals
- ✓ Standard Policies

(rates and provisions competitive with every old line legal reserve life company in the U. S.)

- ✓ Special Policies

(two of them, both sure-fire best sellers.)

- ✓ Established Territories in the South

- ✓ Brand New Territories in Texas and Oklahoma

- ✓ A Sound Company

National Equity Life has operated in the South for 28 years, and is now expanding into Texas and Oklahoma

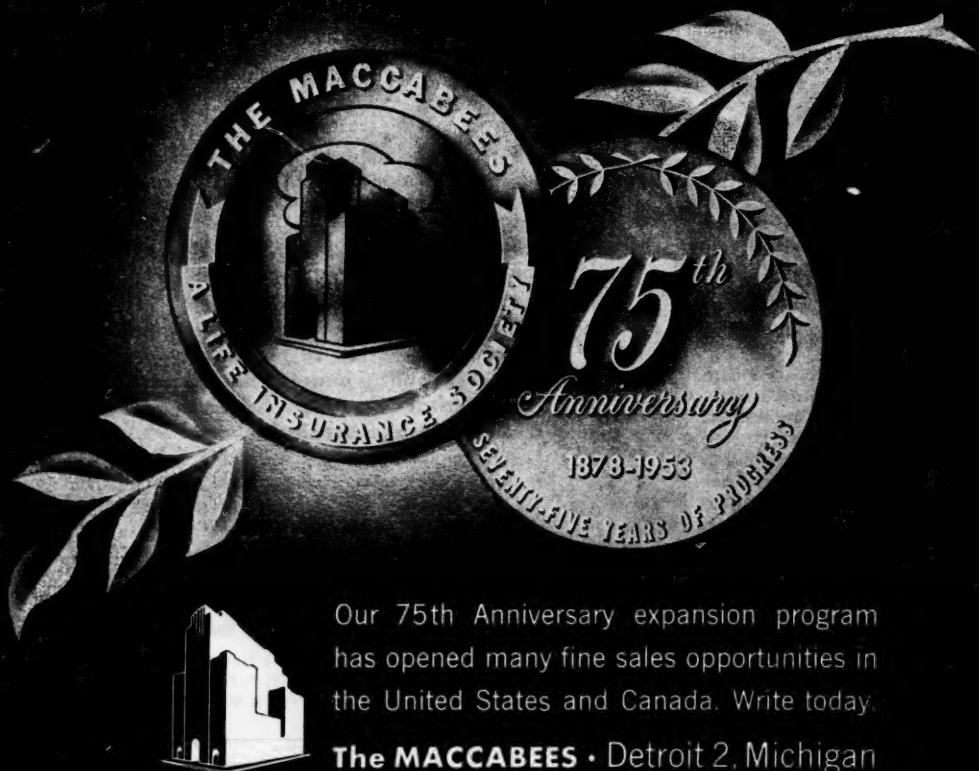
This may mean unusual opportunities for you.

Write today for full information.

## NATIONAL EQUITY LIFE INS. CO.

Little Rock, Arkansas

C. E. LOWRY, President



Our 75th Anniversary expansion program has opened many fine sales opportunities in the United States and Canada. Write today.

**The MACCABEES • Detroit 2, Michigan**



## Army, Navy, Air Force Sales Rules Are Given

(CONTINUED FROM PAGE 10)

military installations to submit a notarized letter signed by the president or vice-president of said company, listing all policies together with their form numbers and a statement that only the policies listed are to be offered on such military installations, and that such policies comply with paragraph 3 of this instruction.

5. Violation of regulations—Commanding officers shall report any abuse concerning the solicitation of life insurance that comes to their attention to the chief of naval personnel, or the commandant of the marine corps (Code DK) as appropriate. Where the state has retained exclusive or concurrent jurisdiction over the installation, the commanding officer shall, in addition, report the foregoing to the insurance commissioner of that state. The chief of naval personnel or the commandant of the marine corps may, if it is determined that the agent was involved in fraudulent, unethical, or other conduct harmful to the best interests of the military personnel, and after affording the agent an opportunity to be heard, initiate the appropriate action to ban the agent from all activities of the naval establishment and to inform the other military departments and the insurance commissioner of the state of domicile of the company involved.

6. Effective areas and date—This instruction will apply to the continental United States, its territories and military bases overseas. It will become effective as of Aug. 25, 1953.

J. L. Holloway, Jr., Chief of Naval Personnel; R. H. Ridgely, Jr., by direction.

### AIR FORCE REGULATIONS

1. Purpose and scope—This regulation establishes a uniform air force policy in connection with solicitation of air force personnel by representatives of commercial life insurance companies on air force installations. A report of action taken in banning agents from bases and of complaints called to the attention of the commander regarding fraudulent or unethical practices on the part of insurance representatives in which military personnel are involved or have been involved is established. The provisions of this regulation are applicable to all air force activities in the continental United States, its territories, possessions, and bases overseas.

2. Policy—The control of the activities of dealers, tradesmen, or their agents is the responsibility of the installation commander. Life insurance solicitation may be permitted at the discretion of the installation commander, under such regulations as he shall prescribe. If such solicitation is permitted, the commander's personal and active supervision is mandatory. Minimal supervisory regulations controlling solicitation by commercial life insurance agents will include the following:

a. Commanders of air force installations over which exclusive jurisdiction has been ceded to the United States will permit solicitation of commercial life insurance on their installations when both the company and its agents are licensed in any state or the District of Columbia. In implementation of this provision, commanders in their discretion may require insurance companies not authorized to do business within the state to furnish such information concerning licensing as is filed in the

state where domiciled.

b. Where the state has retained exclusive or concurrent jurisdiction over the installation, the company and the agents must qualify under the laws of that state prior to soliciting business on the installation.

c. In those instances where exclusive or concurrent jurisdiction has been retained by the state for only a part of the installation, the agent and the company must be licensed within the state to solicit in that area. On the remaining portion of the installation the provisions of a, above, will be applicable.

d. There will be no solicitation of recruits or basic trainees.

e. There will be no solicitation of personnel being processed at ports of embarkation, except by written appointment.

f. There will be no mass solicitation at formations or to captive audiences.

g. Solicitation will not be permitted which interferes with military duty.

h. Remuneration or gifts of any nature will not be offered to, or accepted by, military or civilian personnel employed by the air force to facilitate transactions.

i. The recommendation of any commercial reporting or publishing agency's publication will not be utilized as the sole basis for determining whether a company or its agents will be permitted to solicit business on any air force installation.

j. Commanders of installations outside the continental United States will, prior to granting permission for the solicitation of insurance on the installation, utilize the criteria set forth herein as a guide in determining the authority and qualifications of such companies and agents in accordance with appropriate treaties or agreements and any applicable laws of the jurisdiction wherein an installation may be located.

3. Definition—For the purpose of this regulation, the term *concurrent jurisdiction* refers to those cases wherein the state, territory, possession, or foreign state in which the installation is located possesses at least the minimal jurisdiction to control the business of life insurance within the installation. It is not necessary to include within the terms of this regulation that the state and the federal government of the United States necessarily exercise jurisdiction over the conduct of the business of insurance to the same degree. The words *concurrent jurisdiction*, as used in this regulation, are to denote a concurrency of jurisdiction over subject matter. They are not to be confused with concurrency of jurisdiction in a geographical sense, which would exist if all jurisdiction over part of an installation were ceded to the federal government and partial jurisdiction over another part of the installation was reserved to itself by the state. The jurisdiction which a state possesses over a particular installation depends upon the method by which the property was acquired and the terms of the granting or ceding statute enacted by the state legislature. It must be determined individually for each installation or, where various parts of the installation were acquired through separate transactions, for each portion of an installation. In the event a commander is not cognizant of jurisdiction applicable to a particular installation, the matter may be resolved by requesting such information from the director of installations, headquarters USAF.

4. Regulating procedures:

a. Commanders will regulate solicitation within their commands to avoid discriminatory practices. No commercial life insurance organization, association, company, groups, or other such entity or agent, or special company plan of insurance, will, in any way, be sponsored by any member of the air force, nor will any consideration be afforded or granted to any one company or agent over another. *The only life insurance considered non-commercial by the department of the air force is that made available to military personnel as a result of federal legislation and underwritten by the U. S. Government.*

b. All allotment authorizations (DD form 234, "Allotment Authorization to Start or Stop Allotments") for commercial life insurance will be completed prior to signature and processed in accordance with current regulations. (1) In all instances where commercial life insurance premiums are to be paid by allotment (DD form 234), the personal affairs officer or his representative will discuss the transaction with the service member to ascertain that: (a) The policy is of a suitable type; (b) the premium rate is consistent with the financial status of the individual concerned; (c) military personnel are aware of such provisions as war clause, aviation and geographic restrictions, and/or other undesirable clauses which are contained in or attached to policies being contracted; (d) the service member is aware of the insurance coverage afforded by the government life insurance program and that the air force does not indorse or sponsor any commercial life insurance policy.

c. The official use of DD forms 234 bearing an unauthorized overprint is prohibited. Air force personnel or finance officers will not certify such forms.

d. Commercial life insurance agents will not be utilized for insurance lectures.

e. Installation commanders will require all companies authorized to offer life insurance to military personnel on their reservations to submit a notarized letter signed by the president or vice-president of the company concerned. The letter must list all policies together with their form numbers and contain a statement that only the policies listed are to be offered on such military installations. Further, the letter must affirm that those policies listed comply with the following minimum requirements prescribed for insurance companies and their agents soliciting military personnel on all military installations:

(1) Commanders will require that life insurance policies offered to military personnel on installations have reserves at least equal to those produced by the commissioners reserve valuation method as defined in the standard valuation law when calculated according to the commissioners 1941 standard ordinary mortality table with interest at a rate not in excess of 3½% per annum. Such policies must provide cash and nonforfeiture values at least equal to the minimum values determined by the National Assn. of Insurance Commissioners at its December, 1942, meeting and must comply with the interpretations of the "working committee on standard nonforfeiture and valuation laws to life insurance commissioners", commonly known as the Hooker committee.

(2) The existence of exclusion or restrictive clauses or provisions of the

following will be plainly indicated on the face of the policy: War clauses; geographic limitations; aviation exclusion provisions. This may be accomplished by the means of a rubber stamp.

(3) All companies selling participating policies must clearly indicate on all literature referring to dividends that the dividends are estimates and not guaranteed.

(4) Life insurance agents will furnish the applicant and the unit commander information regarding the policy applied for, indicating: (a) Name and address of company; (b) name and address of agent; (c) name of the insured; (d) type of policy; (e) amount of life insurance; (f) premium; (g) death benefit, guaranteed cash value, extended insurance pure endowment (if any) at the end of the first to fifth years inclusive and the 10th, 15th and 20th years; (h) list of all exclusion provisions which might be incorporated in the policy such as war clauses, aviation exclusion provisions, geographical limitations, and so forth.

f. Upon application for permission to solicit commercial life insurance on an air force installation an agent will be required to furnish the installation commander a notarized letter, signed by an authorized official of the company, indicating that the agent is licensed to solicit for that company and that the company assumes full responsibility for the actions of the agent.

5. Violation of regulations—Any agent may be barred by a commander for violation of regulations. When such action is taken, commanders will cooperate with appropriate state officials and bring the facts of the violation to their attention. A complete and impartial investigation will be made. When possible, the agent concerned will be afforded an opportunity to be heard. The results of the investigation will be forwarded to the director of military personnel, headquarters USAF, through appropriate command channels.

6. Commercial life insurance solicitation report, RCS DD-M&P (BM) 85—Effective July, 1953, installation commanders will forward through appropriate command channels to the director of military personnel, headquarters USAF, Washington 25, D. C., a report regarding any fraudulent or unethical practices in solicitation of commercial life insurance brought to the attention of commanders, inspectors, or other staff officers in which personnel are involved or have been involved. The report will set forth all available information and will indicate, if known, whether the base is one over which the federal government has exclusive or concurrent jurisdiction. The first report, covering the months of July and August, 1953, will be forwarded so as to reach headquarters USAF not later than Sept. 15, 1953. Reports for subsequent two-month periods will be due in headquarters USAF not later than the 15th calendar day following the end of the reporting period. Negative reports are not required but care should be exercised to insure that all incidents are reported.

7. Request for information—Headquarters USAF will not furnish information on life insurance companies licensed in the various states and the District of Columbia. When such information is desired, commanders will consult the insurance commissioner (or parallel official) of the state in which the company is licensed. Similarly, guidance may be sought from reliable



insurance experts and business bureaus in the vicinity of the installation.

By order of the secretary of the air force: official: K. E. Thiebaud, Colonel, USAF air adjutant general; N. F. Twinning, chief of staff, United States air force.

### Lester O. Schriver Named NALU Managing Director

(CONTINUED FROM PAGE 1)

president of N.A.L.U., and has gained a national reputation as a speaker and writer on a variety of subjects.

He was a member of the Connecticut legislature in 1919, member of the Middletown city council, and president of the chamber of commerce there. He had been a member of the Peoria City council before being named city manager.

During the second world war Mr. Schriver was chairman of all eight of the war loan drives for Peoria county. He is a trustee of six colleges, vice-president of Procter Hospital, former president of the Peoria Public Health Nursing Assn. and of the Peoria Advertising & Selling Club, and trustee of many philanthropies.

He holds an honorary LL. D. degree from Lincoln Memorial University, awarded in 1940, and L. H. D. from Mac Murray College, 1950, and won Freedom Foundation awards for his address, "Wanted—Statesmen", in 1951, and for his editorial, "What Manner of Man", in 1952.

N.A.L.U.'s selection committee, chosen by the board of trustees at the recent meeting in Cleveland, is composed of President Gilmore, who is an agent of Mutual Benefit Life at Bridgeport, Conn., Immediate Past President David B. Fluegelman, general agent of Connecticut Mutual in New York City; Vice-president Robert L. Walker, manager of Peninsular Life at Orlando; Secretary Stanley C. Collins, agent of Metropolitan Life at Buffalo; Treasurer Osborne Bethea, manager of Prudential at Newark, and Trustee Henry S. Stout, general agent of John Hancock at Dayton, O.

### NALU Group to Attempt N. Y. State Compromise

(CONTINUED FROM PAGE 2)

Mr. Fluegelman, who is general agent of Connecticut Mutual in New York City, is a past president of the New York State association, as is Mr. Collins, who is an agent of Metropolitan Life at Buffalo, while Mr. Bethea, manager for Prudential in Newark, was for many years general agent of Penn Mutual in New York City. Consequently, some of the New York State leaders are reported to feel that the N.A.L.U. special committee might be regarded as being overloaded with New Yorkers and open to charges of bias in favor of the New York association. It is possible that the suggestion may be made that members be substituted or added to offset the preponderance of New Yorkers.

### Seek to Instill CLU Interest

Boston C.L.U. chapter and Boston General Agents & Managers Assn. will hold a joint meeting Sept. 15 to discuss how best to get agents interested in the C.L.U. study program. Speaker will be John T. Scott, general agent for Penn Mutual Life at New York City, president of the New York City C.L.U. chapter.

James W. Shepard has been appointed general manager of Industrial Life, the Dallas company which writes only credit life. For 12 years Mr. Shepard was a special agent with the FBI.

## Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

### Indianapolis Life Promotes Howenstine

Harold D. Howenstine has been promoted to manager of sales promotion and publicity by Indianapolis Life. A former member of the editorial staff of the Indianapolis Star, Mr. Howenstine was with Dun & Bradstreet for seven years before joining Indianapolis Life in 1952. He is an army veteran.

### Contract Let for Prudential Minneapolis Office

NEWARK—Prudential has awarded the general construction contract for its new \$6 million north central home office at Minneapolis to C. F. Haglin & Sons Co. there as the low bidder. Construction will start immediately on the modern 10-story structure, which is on the western outskirts of the city. Company officials hope the building, which will have about 293,000 feet of usable floor space, will be ready for occupancy in the spring of 1955. It will serve as headquarters for Prudential's operations in Minnesota, Wisconsin, Michigan, North and South Dakota, Iowa and Nebraska, and will be staffed by some 1,500 persons, most of whom are being recruited in the Minneapolis-St. Paul area.

### R. M. Swartz Made Flint General Agent

Ronald M. Swartz has been named general agent at Flint, Mich., for Midland Mutual Life. Mr. Swartz entered insurance in 1948.

### D. S. Stark Joins Provident L. & A.

Donald S. Stark, manager of Jefferson Standard Life at Cincinnati since 1947, has been appointed general agent for Provident Life & Accident at Huntington, W. Va., succeeding C. F. Dicken, who is retiring. He became an agent for Jefferson Standard at Logan, W. Va., in 1944 and was appointed district manager at Parkersburg in 1945.

### Excelsior Life Promotes Johnson and Kenny

Excelsior Life has appointed A. W. Johnson actuary and Mel Kenny assistant general manager and director of agencies. Mr. Johnson, who joined the company in 1916 and has been associate actuary since 1938, is a fellow of Society of Actuaries and an associate of Institute of Actuaries of Great Britain. Mr. Kenny, a member of the board of L.I.A.M.A. and with Excelsior Life since 1945, has been superintendent of agencies for the company since 1948. He is chairman of this year's annual meeting committee of L.I.A.M.A.

### Commissioner Suspends World's A. & H. Business

(CONTINUED FROM PAGE 1)

went to court to require Mr. Maloney to issue subpoenas on 31 A. & H. insurers to require them to submit samples of their advertising copy on A.&H. insurance. World claimed that its advertising was no different than that of other companies doing a similar business, and said Mr. Maloney was deliberately singling it out for prosecution.

After World had accumulated its samples of advertising from other insurers, the hearing officer refused to admit them as evidence, although he did allow several company men to testify during the 18-day hearing.

After the charge against World, Mr. Maloney also went after United of Chicago on similar charges, and National Travelers of Des Moines. United took Maloney to court on charges of discrimination and has enjoined the commissioner from holding a hearing. This matter is now on appeal.

The World suspension begins on a Sunday and runs up to Armistice Day.

In the last few days, the California department has charged Westland Life of San Francisco and Radio Insurance Agency, Inc., its general agent, with false and misleading advertising in solicitation of A. & H. business. Mr. Maloney said that Westland recalled advertising material and copy which had been the basis of the charges as soon as it heard of the "imminence of the charges."

### D. B. Potts With Occidental

In the story in last week's issue reporting the election meeting of Wisconsin Assn. of A. & H. Underwriters, the company affiliation of Dale B. Potts, the new regional vice-president for Milwaukee, was incorrectly given. Mr. Potts is with Occidental Life of California.

### Mutual Trust Has Western Regional in Minnesota

Mutual Trust Life held its western regional convention at Breezy Point Lodge, Brainerd, Minn. Highlight of the program was a novel reception patterned after the recent presidential conventions. Raymond Olson, president, presided and Charles H. Kiefer, agency secretary, handled the roll call of delegates.

A panel discussion based on the radio program "What's My Line" was built around the subject "What's Your Problem?" A second panel had as its subject "Habits Take Practice."

Both the home office and field were represented by the speakers, among whom was O. I. Hertsgaard, a director.

### New C.L.U. Trustees

Raymond C. Johnson, vice-president of New York Life, and William Eugene Hays, general agent for New England Mutual Life at Boston, who were



Raymond C. Johnson



W. Eugene Hays

elected trustees of the American College at its annual meeting at Cleveland during the convention there of National Assn. of Life Underwriters, each has had an extensive career in agency management in the field and in the home office.

Mr. Johnson, who won his C.L.U. in 1939, entered the business in 1928 as

a New York Life agent in Arizona, serving in that state later as assistant manager and manager before becoming Los Angeles manager in 1939. He went to the home office in 1942 as superintendent of agencies, was elected agency vice-president in 1949 and designated vice-president in charge of agency administration in 1951. He is a past president of the Arizona and Los Angeles associations, for three years has served as chairman of the joint committee on public relations for the American College and American C.L.U. Society, and also as chairman of education and training committee of L.I.A.M.A.

Starting in the business at Owensboro, Ky., Mr. Hays in 1932 became a partner in the Hays, Hudson & Bradstreet general agency of New England Mutual at Los Angeles. He was named director of agencies at the home office in 1938 and has been at Boston since 1947. He was awarded his C.L.U. designation in 1926.

### Canada Life Winds Up Regional Meets

Canada Life is completing a series of regional conferences with a meeting this week at Dixville Notch, N. H. Earlier meetings were held at Harrison Hot Springs, B.C., Canada, and another at Dixville Notch.

Included among those attending one or more of the meetings from the home office are E. C. Gill, president; G. C. Tompkins, field training superintendent; Dr. A. E. Parks, medical director; J. R. Gray, associate actuary; John Bain, executive assistant; J. Q. Strong, assistant comptroller of agencies; J. A. Morrow, art supervisor, and Fred G. Ivory, campaign supervisor.

Speaking at the Harrison Hot Springs conference, Mr. Gill discussed home office operating procedures from agency, investment, actuarial, underwriting and administrative standpoints.

Terming group insurance a product of the corporate income tax level, both in Canada and the U.S., Mr. Gill predicted that it will continue to make up a large part of insurance sales. In discussing A. & H., he said Canada Life is taking its time in getting into this field too actively. Investment problems which have been facing companies for 18 years, because of low interest rates, are beginning to lessen both in Canada and the U.S. because of larger interest yields, he noted, adding the Canada Life's interest rate last year was 4.2% and indications are for 1953 it will be 4.4%.

Annuity rates in effect today constitute a real bargain, Mr. Gill commented, attributing this to the increased longevity of annuitants.

Highlight of the program was introduction of production leaders by Mr. Gill. Vancouver was the leading branch in 1952. The manager there is R. A. Sanderson.

Other program features were a talk on "Stock Retirement Agreements" by Paul H. Dunnagan, Minneapolis, a past-chairman of the Million Dollar Round Table; a business insurance talk by K. P. McKenzie, North Alberta; a panel discussion on "Valuable Property", the members being E. J. Lucas, North Alberta; A. M. Morris, Minnesota, and Miss L. Sutherland, South Alberta; another on "Where Do I Get My Leads?", the participants being N. A. Daly, Vancouver; A. L. Ferguson, Los Angeles and R. W. Upton, South Alberta; and a talk on "Educational Insurance" by F. W. Bland, Pacific Coast manager of the National Underwriter Co.



at in Arizona  
er as assistant  
efore becoming  
1939. He went  
942 as super-  
was elected  
1949 and de-  
in charge of  
n 1951. He is  
rizona and Los  
r three years  
of the joint  
ations for the  
merican C.L.U.  
irman of edu-  
mittee of L.L.

ess at Owens-  
1932 became  
udson & Brad-  
of New Eng-  
eles. He was  
encies at the  
d has been at  
was awarded  
n 1926.

## Winds Meets

ing a series of  
th a meeting  
Notch, N. H.  
ld at Harrison  
ada, and an-

attending one  
rom the home  
resident; G. C.  
g superinten-  
tical director;  
ctuary; John  
J. Q. Strong,  
gencies; J. A.  
and Fred G.  
sor.

n Hot Springs  
discussed home  
es from agen-  
underwriting  
points.

ce a product  
ax level, both  
Mr. Gill pre-  
e to make up  
sales. In dis-  
Canada Life  
ing into this  
ent problems  
companies for  
interest rates,  
th in Canada  
rger interest  
the Canada  
ar was 4.3%  
53 it will be

today consti-  
Gill com-  
to the in-  
itants.

n was intro-  
ders by Mr.  
nding branch  
ere is R. A.

were a talk  
ements" by  
neapolis, a  
llion Dollar  
insurance talk  
Alberta; a  
ble Proper-  
C. J. Lucas,  
ris, Minne-  
land, South  
re Do I Get  
ants being  
J. Ferguson,  
pton, South  
ational In-  
acific Coast  
Underwriter

celebrating

**25 Years of service!**  
with life insurance in force exceeding

**\$480,000,000.00**

**PLUS:** One of the most advanced agent's training programs in the nation . . . Supervised offices . . . Trained Group men to assist agents . . . An alert Underwriting and home office staff . . . Top commissions . . . Company outings . . . App-A-Week clubs and agent contests . . . the finest insurance plans.

Life  
A & H  
Group  
Franchise  
Hospitalization  
Brokerage  
Reinsurance

**REPUBLIC NATIONAL  
LIFE INSURANCE COMPANY**

Theo. P. Beasley, President

Home Office, Dallas

**UNITED BENEFIT LIFE  
PASSES**

**BILLION in FORCE**

UNITED of OMAHA has become the nation's YOUNGEST OLD-LINE LEGAL RESERVE STOCK LIFE INSURANCE COMPANY with \$1,000,000,000.00 of insurance in force.

By reaching its first billion-in-force during this, its 27th year, United Benefit Life set a *new world's record!*

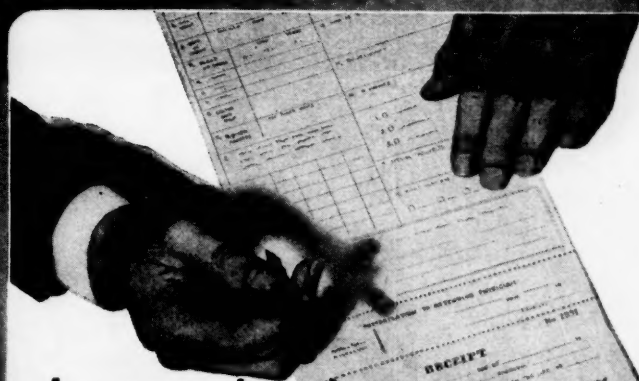
Setting records is nothing new for United Benefit. On its twentieth anniversary, it made a record, by attaining a half-billion insurance in force. In the seven years since then, its insurance-in-force has *doubled*.

This progress has been made on the basis of **STRENGTH, STABILITY and SERVICE**, and has put United Benefit among the top 6 per cent of America's life insurance companies.

**United**  
**OF OMAHA**

UNITED BENEFIT LIFE INSURANCE COMPANY

HOME OFFICE: OMAHA, NEBRASKA



**In your hands...  
rests the Security of others**

**That's why** Berkshire Life provides 114 Adult and Juvenile Life and Accident & Health policies and riders to take care of the three most vital problems: death, disability and old age.

**Plus**

- Modern Merchandising Program
- Considerate, prompt underwriting
- Agency-minded Home Office
- Entire Home Office Agency Department staff from the field
- A Company large enough to serve you, but small enough to know you

BROKERS AND SURPLUS WRITERS are invited to write to the nearest Berkshire General Agent for FREE copies of both the handy pocket-size Merchandise Chart and Portfolio which outline the many unusual sales opportunities. ★ ★ ★

**Keep Your Eye on  
BERKSHIRE**

LIFE INSURANCE COMPANY

Life, Annuities, Accident & Health and Hospitalization

HARRISON L. AMBER, President

PITTSFIELD, MASS. • A MUTUAL COMPANY • CHARTERED 1851



**THE COUNTRY'S MOST FRIENDLY COMPANY  
OFFERS . . .**

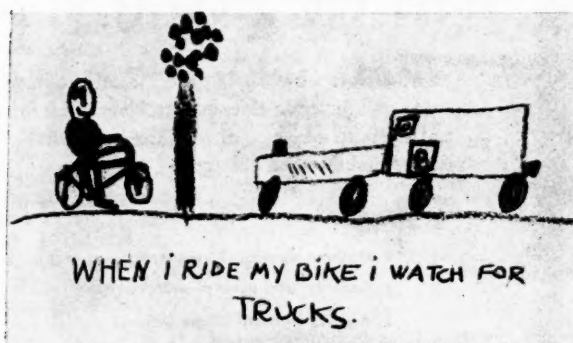
- Modern and attractive agent's and general agent's contracts to those looking for a permanent connection.
- Complete line of Life Insurance policy contracts from birth to age 65 with full death benefit from age 0 on juvenile policy contracts.
- Complete line of Accident and Health policy contracts with lifetime benefits.
- Individual Family Hospitalization contracts with surgical, medical and nurse benefits.
- Complete substandard facilities.
- Educational program for fieldmen.

**Strong, Progressive Company**  
Older than 85% of all legal reserve life insurance companies

**COMPANY'S EXPANSION PROGRAM OFFERS**  
Openings in California, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, New Jersey, North Dakota, Ohio and Wisconsin

**NORTH AMERICAN LIFE INSURANCE COMPANY  
OF CHICAGO**

C. G. ASHBROOK, EXECUTIVE VICE PRESIDENT  
NORTH AMERICAN BUILDING, CHICAGO 3, ILLINOIS



## They're never too young to learn SAFETY

**A**FTER SCHOOL opens this fall, many classrooms will be decorated with pictures like those shown above. All of these pictures were actually drawn by children in the first grade.

These simple sketches show that even very young children can grasp the importance of safety and can apply its rules in their daily lives. In fact, our greatest hope of reducing the high toll of childhood accidents . . . on streets and highways, in homes, and elsewhere . . . depends largely on helping young children to develop the attitudes and skills necessary for their safety now and in the future.

**Accidents kill annually about 14,000 children under age 15. In addition, some 2 million children are temporarily or permanently injured by accidents every year.**

When children return to school, they will be exposed to an increased number of potential accident situations. This raises the

question, is there anything you can do to help save children from accidental injuries or loss of life? Indeed, there is. You can put more stress than ever on habits of safe conduct.

All children—especially those just entering school—should be warned to take safety precautions in the streets. They should learn to cross only at crossings, to obey traffic lights, to look both ways before stepping into the street, and to face traffic if they have to walk on a road.

If a child rides his bicycle to school, he should know and obey such rules as keeping to the right, riding single file and signaling for turns. Moreover, it is wise for parents to make sure that the bicycle has good brakes, a warning bell, a front light and a rear reflector.

Children may also be helped to avoid accidents if parents themselves set a good example by consistently practicing habits of safety in the home and elsewhere.

You can do this, for instance, by checking your home and removing possible accident hazards. Among other things, guns, ammunition and poisons should be locked up.

If, despite your protection and training, your child has repeated accidents, it would be wise to consult your family doctor. Sometimes accidents may be caused by physical or emotional conditions which he can help correct.

Remember that most accidents do not "just happen." Some authorities estimate that 90 percent or more of them are preventable. So, make your child safety-minded as he enters or returns to school. You may save him needless injury . . . and spare yourself some anxious moments.

Metropolitan's new booklet, "A Formula for Child Safety," tells how parents—by understanding their child's behavior at various stages of growth—can anticipate and forestall many accidents.

COPYRIGHT 1953—METROPOLITAN LIFE INSURANCE COMPANY

**Metropolitan Life Insurance Company**

(A MUTUAL COMPANY)

1 MADISON AVENUE, NEW YORK 10, N. Y.



This advertisement is one of a continuing series sponsored by Metropolitan in the interest of our national health and welfare. It is appearing in two colors in magazines with a total circulation in excess of 32,000,000 including Collier's, Time, Newsweek, Saturday Evening Post, Ladies' Home Journal, Good Housekeeping, Cosmopolitan, McCall's, American Magazine, Woman's Home Companion, National Geographic.